

V O L V O

To provide freedom
to move in a personal,
sustainable and
safe way.



VOLVO CAR GROUP

INTERIM REPORT FOURTH QUARTER AND FULL YEAR 2025

OCTOBER–DECEMBER 2025

FULL YEAR 2025



- Retail sales decreased by –3% to 195.7 (202.5) thousand cars.
- Revenue amounted to SEK 94.4 (112.1) bn. The decrease was primarily explained by sales mix and pricing, lower wholesale volumes as well as unfavourable foreign exchange rate effects due to a stronger SEK compared to last year.
- EBIT was SEK 1.9 (3.9) bn and the decrease was mainly a consequence of sales mix and pricing.
- EBIT margin was 2.0 (3.4)%.
- Basic earnings per share was SEK 0.43 (0.84).
- Operating and investing cash flow was SEK 8.8 (13.6) bn, impacted by proceeds from the divestment of shares in Lynk & Co.
- On 6 November Volvo Cars outlined its strategy going forward. This was presented at an event for investors in Stockholm.
- On an Extraordinary General Meeting held on 8 December, Pieter Nota and Caroline Grégoire-Sainte-Marie were elected as new board members.

- Retail sales decreased by –7% to 710.0 (763.4) thousand cars.
- Revenue amounted to SEK 357.3 (400.2) bn, primarily explained by lower wholesale volumes and unfavourable sales mix and pricing, partially offset by increased used car sales.
- Operating income (EBIT) was SEK 0.3 (22.3) bn, mainly impacted by items affecting comparability, a one-time non-cash impairment charge of SEK 11.4 bn and restructuring cost of SEK 0.8 bn. Excluding these, the decrease was mainly explained by sales mix and pricing as well as lower wholesale volumes.
- EBIT margin was 0.1 (5.6)%.
- Basic earnings per share was SEK 0.06 (5.17).
- Operating and investing cash flow was SEK 2.4 (1.1) bn, primarily driven by increased production and proceeds from the divestment of shares in Lynk & Co.
- Volvo Cars met the 2025 ambition to reduce CO₂ emissions per car from the 2018 baseline, achieving a 30% overall reduction.
- The Board of Directors proposes that no dividend should be paid out.

UPDATES AFTER THE PERIOD



- On 7 January, Volvo Cars announced the appointment of Thomas Ingenlath as Chief Design Officer, effective 1 February 2026.
- On 21 January, the new Volvo EX60 was released.

FORWARD LOOKING



- For 2026, Volvo Cars aims to come back to volume growth on a year-on-year basis for the full year and increase cash generation with full year free cash flow clearly better than what was achieved in 2025.

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SEK bn unless otherwise stated	3 Months			12 Months		
	Oct-Dec 2025	Oct-Dec 2024	Δ%	Full year 2025	Full year 2024	Δ%
Retail sales, k units ¹⁾	195.7	202.5	−3	710.0	763.4	−7
Revenue	94.4	112.1	−16	357.3	400.2	−11
Research and development expenses	−4.8	−5.0	−4	−26.1	−17.0	53
Operating income (EBIT) ²⁾	1.9	3.9	−51	0.3	22.3	−99
EBIT excl. share of income in JVs and associates ²⁾	1.7	6.3	−73	−0.4	27.0	−101
EBIT excl. items affecting comparability ²⁾	1.8	5.6	−68	12.5	24.0	−48
Net income	−0.4	2.3	−117	−3.0	15.9	−119
Basic earnings per share, SEK	0.43	0.84	−49	0.06	5.17	−99
EBITDA ²⁾	7.8	10.6	−26	35.7	45.0	−21
Cash flow from operating activities	15.9	26.3	−40	34.6	47.4	−27
Cash flow from investing activities	−7.1	−12.7	−45	−32.2	−46.2	−30
Gross margin, % ²⁾	15.8	17.1	−7	16.9	19.8	−15
Gross margin excl. items affecting comparability, % ²⁾	15.9	17.1	−7	18.0	19.8	−9
EBIT margin, % ²⁾	2.0	3.4	−42	0.1	5.6	−98
EBIT margin excl. share of income in JVs and associates, % ²⁾	1.8	5.6	−68	−0.1	6.8	−101
EBIT margin excl. items affecting comparability, % ²⁾	1.9	5.0	−62	3.5	6.0	−41
EBITDA margin, % ²⁾	8.3	9.5	−12	10.0	11.3	−11

1) Non-financial operating metric.

2) Non-IFRS measure (alternative performance measure), see Alternative performance measures on page 26.



Turnaround plan on track, but challenging external environment

Dear shareholders,

When I returned to Volvo Cars as CEO in April 2025, it was during one of the most challenging years for both Volvo Cars and the industry. To address the many challenges, we reset our business by setting up a more efficient and leaner organisation, clarified our strategy and set a clear direction for the future.

“Our actions in 2025 have set us on a path to return to growth. We are confident of our long-term strategy and clear direction of travel.”

Our SEK 18 billion cost and cash action plan was the largest in our history and very ambitious from the start. We needed to establish a new cost base, navigate the turbulent external environment and put the company back on a path to profitable growth.

I am pleased that we have successfully executed this plan already in 2025. We slimmed down our organisation and removed 3,000 positions, lowered indirect and variable costs, realised supply chain and other synergies through closer collaboration with Geely. We also improved our working capital levels and cut back on planned investments while safeguarding our future.

In 2026, we are continuing our efforts but setting our ambitions even higher with at least an additional SEK 5 billion in reduced indirect and variable costs. This will be on top of what we already achieved in 2025.

Last year, we also regionalised our operations and empowered our regions. We have now laid a solid foundation to bring us even closer to our customers in the Americas and China, by tailoring our products, technologies and commercial offers to their requirements.

At our Strategic Update we laid out our long-term financial and strategic direction, clearly describing how we will return to profitable growth. We are structurally building a company with the aim of achieving long-term EBIT margins of over 8 per cent, strong positive cash flows and growth through electrified products.

I am pleased we ended the year with a positive full-year free cash flow of SEK 2.4 billion, despite a very challenging external environment. Our cash flow during the fourth quarter was particularly significant, reaching SEK 8.8 billion.

However, despite that, EBIT was still disappointing in Q4. When we published our Q3 report, we already signalled that we expected the market to remain challenging in the short term. That prediction came true in Q4, with external factors affecting our performance, such as EU-US import tariffs and the negative currency effect of a stronger Swedish krona.

On top of that, revenues were affected by weak demand putting pressure on pricing, and the removal of EV incentives in the US, which negatively impacted sales in the quarter.

There were positive developments as well: our fully electric sales grew in three consecutive months through December, our retail orders are growing, and we saw a solid performance in China thanks to encouraging demand for our XC70 long-range plug-in hybrid SUV. We increased our premium market share in the highly competitive China market in 2025.



EX60 reveal – a real milestone for Volvo Cars

In 2026, our focus will be on executing our strategy, starting with the EX60 electric SUV revealed two weeks ago. As the first model built on our all-new SPA3 platform and with new technologies such as mega casting, cell to body and our HuginCore core system, it marks our entry into the most important electric segment. This will significantly expand our addressable market and support further growth in electric market share.

The EX60 is a true game changer, combining class-leading range, fast charging and human-centric technology, and is the first Volvo to launch with Google Gemini integrated. This reflects our longstanding relationship with Google, and our status as a lead development partner.

With the EX60, we also begin to transform our commercial offer. We are simplifying the variant structure, giving customers transparency on price, the content they get in the car, and a more precise estimate on delivery. Once production ramps up we will also offer an immediate delivery option for certain variant combinations. This concept will start in Sweden and the UK, with more markets to follow.

All of this together truly marks a new beginning for our company, and one that we are very excited about. The initial customer response to the EX60 has been overwhelmingly positive, and we are encouraged by the strong order numbers so far.

Looking ahead

Our actions in 2025 have set us on a path to return to growth. This will be supported by additional actions to drive commercial and sales growth.

Deliveries of the all-new EX60 will ramp up during the second half. Another building block for our growth is the XC70, which will enter its first full year of production and

sales. The improved model year 2026 EX90 will reach more customers, and the EX30 will complete its first full year of production in Ghent. We will also continue to deepen our unique collaboration with Geely, helping us to reduce costs in our supply chain and deliver products to the market quicker.

But the year will remain a challenging one for the industry. The overall premium market is expected to shrink this year with pricing pressures from a competitive market, tariff effects, regulatory uncertainty and soft consumer sentiment.

In the first half of 2026 we will also have negative cash effects from a temporary inventory build-up of XC90 and XC60 cars in our Torslanda plant, to meet demand for these still very popular models and compensate for the start of production of the EX60.

Throughout 2026 we will further reduce variable and indirect costs, and we aim for improved full year cash flow versus 2025. Our investment pace will further move towards affordable levels, although we will continue to invest, for example in our product portfolio and the Kosice plant.

For 2026, we aim to come back to volume growth on a year-on-year basis for the full year and increase cash generation with full year free cash flow clearly better than what we achieved in 2025.

In conclusion: we are confident of our long-term strategy grounded in a best-in class electric product pipeline and a clear direction of travel. In the short term, we will continue to make our company more efficient and lower our cost base. This will help us mitigate the challenges posed by a persistently tough external environment.

Håkan Samuelsson

President and CEO

Quarterly highlights

Safety in focus

During the quarter, Volvo Cars received recognition for delivering high safety performance and innovation.

The world-first multi-adaptive safety belt, which debuted in Volvo Cars' fully electric EX60 SUV, was recognised as one of the Best Inventions of 2025 by TIME. The new multi-adaptive safety belt is designed to even better protect occupants by adapting to the traffic conditions and the person wearing it. The capabilities of the safety belt are designed to continuously improve via over-the-air software updates.

Also, the fully electric Volvo EX90 achieved the maximum five-star rating in the latest Euro NCAP safety tests, with particularly strong results in adult and child protection, reflecting Volvo's long-standing focus on real-world crash research, advanced sensing and integrated safety systems.

Volvo Cars reaches major milestones in electrified cars and SPA production

Volvo Cars reached two important milestones during the quarter, reflecting both our electrification progress and long-term product strategy. We delivered our one millionth plug-in hybrid, underlining strong customer demand for electrified models and the role of PHEVs as a bridge toward full electrification.

At the same time, Volvo Cars celebrated four million cars produced on its first-generation Scalable Product Architecture (SPA), a platform that has underpinned some of the brand's most successful models while enabling advances in safety, technology and global manufacturing flexibility.

Volvo Cars' Strategy Update Day

On 6 November, Volvo Cars outlined the strategy going forward, at an event for investors in Stockholm. During the event, Volvo Cars' management team presented how the organisation is being structurally built to achieve a long-term EBIT margin of over 8%, strong positive cash flows and growth through electrification.

In summary, electrification was highlighted as one of the main growth drivers, supported by cost and hardware synergies with Geely. A key enabler will be the recently revealed EX60 mid-size electric SUV. Profitability is expected to be supported by variable and indirect cost reductions, an expanded use of the software stack unlocking further efficiencies, strict cost discipline following the SEK 18 bn cost and cash action plan, and lower future investments. The strategy is further underpinned by a regionalised approach and a new customer-centric sales and marketing model aimed at attracting more customers at lower cost.

The recording and full presentation deck from the event can be found on Volvo Cars' website.

Changes to the Board of Directors

On 8 December, Volvo Cars held an Extraordinary General Meeting where two new board members, Pieter Nota and Caroline Grégoire-Sainte-Marie, were elected, as proposed by the nomination committee.

Sustainability

During the fourth quarter, Volvo Cars' share of electrified models in the fleet increased compared to same period last year. By October, retail deliveries surpassed 500,000 of fully electric cars, following the milestone of delivering one million plug-in hybrids in September. Electrification remains a strategic priority as Volvo Cars aim to reduce CO₂ emissions per car by 30–35% this year and 65–75% by 2030, compared to the 2018 baseline. The 2025 ambition was met with a total emission reduction of 31% per car. In 2025, four additional factories became climate neutral, whereof one during the fourth quarter, bringing the total to seven out of nine plants being fully climate neutral by the end of the year.

In December, CDP awarded Volvo Cars with an A (the highest rating for climate performance), an achievement accomplished by only four per cent of participating companies. This was the third year in a row the company was awarded with an A, which further reflects the sustained commitment to integrating sustainability throughout the operations, and Volvo Cars' leadership position in the area.

CO ₂ -reduction per car	CO ₂ -emissions per car, tonnes ¹⁾	Reduction, %
2018	53.8	—
2025	37.2	31
2025 ambition	35.0–37.7	30–35
2030 ambition	13.4–18.8	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 an enhanced data model to ensure comparability.

Fourth quarter financial summary

SALES AND MARKET DEVELOPMENT

The overall global passenger car market in the fourth quarter declined by 5% year-on-year, and the global premium market fell by 6%. The BEV segment grew by 9%, whereas the PHEV segment was in line with previous year. The automotive sector continued to face headwinds from volatile market conditions, geopolitical developments and regulatory uncertainty, although consumer interest in electrified cars remained resilient.

Volvo Cars' retail sales decreased by 3% year-on-year. BEVs and PHEVs accounted for 49 (47)% of retail sales, of which BEVs accounted for 24 (21)%. Wholesale volumes declined by 8%, while production increased by 14% compared with the same period last year. The transition toward full electrification continues amid evolving regulatory frameworks, intense competitive dynamics and shifting consumer confidence. Volvo Cars' PHEVs, as a bridge to full electrification, are increasingly important for those customers not yet ready to shift to fully electric cars. They accounted for 25% of retail sales during the quarter.

Volvo Cars' market share per propulsion type, % ^{1 2)}	Jan–Nov 2025	Jan–Nov 2024
BEV	1.13	1.70
EREV	—	—
PHEV	3.06	3.68
ICE (incl. mild hybrids)	0.73	0.76
Volvo Cars' share of total market	0.97	1.09

Total industry volume share and growth by propulsion type, % ^{1 2)}	Jan–Nov 2025	Growth YoY
BEV	18	25
EREV	2	–5
PHEV	8	13
ICE (incl. mild hybrids)	72	–3
Total	100	2

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 January 2026, capturing more than 85% of total world sales per November. All rights reserved.

Europe

The overall European passenger car market increased by 5% compared to the same period last year, while the premium car market declined by 2%. The electrified segment continues to show momentum, with both BEV and PHEV sales increasing by 41% and 38% respectively.

Volvo Cars retail sales decreased by 6%. The share of BEVs and PHEVs accounted for 65 (65)% of the sales for the quarter, whereof BEV sales accounted for 37 (31)% of retail sales.

China

The total Chinese passenger car market decreased by 14% year-on-year, of which the BEV segment increased by 6% and the PHEV segment (including extended-range electric vehicles) declined by 6%. The premium segment decreased by 12% compared with the same period last year. Consumer demand continues to shift from combustion-engine models to electrified cars, where competition is intense and domestic brands are dominating.

Volvo Cars' retail sales for the quarter increased by 2% compared with last year. BEVs and PHEVs combined accounted for 35 (13)% of sales during the quarter, of which BEVs accounted for 1 (3)% of retail sales.

US

The total US passenger car market decreased by 4% in the fourth quarter compared with the same period last year, and the premium market declined by 10%. Both BEV and PHEV sales fell, by 35% and 58% respectively. The US automotive market continued to be affected by evolving policy conditions, trade dynamics and broader economic uncertainty.

Volvo Cars' retail sales decreased by 13% year-on-year. BEVs and PHEVs combined accounted for 17 (37)% of retail sales in the quarter, of which BEVs accounted for 7 (5)%.

Other markets

Volvo Cars' retail sales in other markets increased by 9%. The markets with the highest retail sales were Türkiye, Canada and South Korea. The combined BEV and PHEV share of sales in other markets was 54 (54)%, of which BEVs accounted for 36 (31)%.

Sales development per carline

SUVs, comprising Volvo Cars' XC and EX models, accounted for 89 (85)% of total sales, driven by the best-selling XC60 and XC40. Sedan and wagon models (including MPVs) accounted for 7 (9)% and 4 (6)% of total sales, respectively.

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Retail sales, k units	3 Months			12 Months		
	Oct-Dec 2025	Oct-Dec 2024	Δ%	2025	2024	Δ%
Europe	90.0	95.3	-6	332.7	369.7	-10
China	44.2	43.3	2	149.5	156.4	-4
US	30.9	35.7	-13	121.6	125.2	-3
Other	30.6	28.2	9	106.2	112.1	-5
Retail sales total	195.7	202.5	-3	710.0	763.4	-7
Electrified cars	96.0	96.0	—	323.3	352.8	-8
<i>whereof BEVs</i>	<i>46.7</i>	<i>41.6</i>	<i>12</i>	<i>151.8</i>	<i>175.2</i>	<i>-13</i>
Electrified cars share	49%	47%		46%	46%	
<i>whereof BEV share</i>	<i>24%</i>	<i>21%</i>		<i>21%</i>	<i>23%</i>	
Wholesales	191.2	207.1	-8	693.0	782.6	-11
Production volume	190.2	166.3	14	694.2	760.4	-9

Top 10 Retail sales by market, k units	3 Months			12 Months		
	Oct-Dec 2025	Oct-Dec 2024	Δ%	2025	2024	Δ%
China	44.2	43.3	2	149.5	156.4	-4
US	30.9	35.7	-13	121.6	125.2	-3
UK	16.9	17.2	-2	68.7	66.4	4
Germany	14.4	16.4	-12	59.8	62.0	-3
Sweden	12.6	14.5	-13	47.9	46.2	4
The Netherlands	6.7	6.9	-3	20.0	30.7	-35
Türkiye	5.9	3.5	67	15.2	13.0	17
France	5.0	5.6	-12	13.3	19.4	-32
Spain	4.9	5.2	-6	15.2	18.0	-15
Norway	4.9	2.9	70	13.3	11.2	19

Retail sales by model, k units	3 Months			12 Months		
	Oct-Dec 2025	Oct-Dec 2024	Δ%	2025	2024	Δ%
BEV						
EX30	24.7	23.1	7	78.6	98.1	-20
EX40	14.8	11.6	28	44.0	53.4	-18
EX90	3.8	1.7	124	16.3	1.8	803
EC40	2.8	5.0	-43	11.8	20.4	-42
ES90	0.3	—	—	0.3	—	—
EM90	0.2	0.3	-10	0.8	1.5	-47
Non-BEV						
XC60	55.6	66.7	-17	230.7	230.9	—
XC40	31.5	32.5	-3	123.0	120.5	2
XC90	27.2	31.4	-13	103.2	108.6	-5
XC70	13.1	—	—	14.2	—	—
S90	7.3	9.3	-21	25.7	40.2	-36
S60	7.0	9.9	-30	26.3	44.0	-40
V60	6.1	7.9	-23	27.1	34.1	-21
V90	1.3	3.0	-58	8.2	9.9	-18
Total	195.7	202.5	-3	710.0	763.4	-7

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

INCOME AND RESULT

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

Volvo Cars' revenue amounted to SEK 94.4 (112.1) bn and wholesale volumes declined by –8% to 191.2 (207.1) thousand cars. The revenue decrease was primarily explained by unfavourable sales mix and pricing of SEK –5.3 bn and lower wholesale volumes of SEK –4.2 bn. Revenue was also affected by the one-time sale of subscription car portfolios, amounting to SEK 0.8 (2.7) bn, which had no material impact on gross income or cash flow as payments were received during the third quarter. The decrease was partially offset by increased sales of parts and accessories. Foreign exchange rates had an unfavourable impact on revenue due to a stronger SEK compared to last year, amounting to SEK –6.5 bn. See complete revenue bridge to the right.

Gross income decreased by –22% to SEK 14.9 (19.1) bn, resulting in a gross margin of 15.8 (17.1)%. Gross margin was impacted unfavourably by sales mix and pricing, higher US tariffs on imported goods and a higher portion of fixed manufacturing cost in relation to the revenue. These effects were partially offset by revenue from emission credits of SEK 1.1 (0.2) bn and used cars. Foreign exchange rate effects in cost of sales were positive compared to last year, amounting to SEK 5.7 bn. The net effect of foreign exchange rates in gross income was negative versus last year, impacting with SEK –0.8 bn.

Research and development expenses decreased –4% to SEK –4.8 (–5.0) bn. For details regarding research and development expenses, see the research and development table on page 10. Selling expenses decreased –7% to SEK –5.8 (–6.2) bn, primarily due to lower personnel costs as well as reduced advertising and sales promotion expenses. Administrative expenses decreased –17% to SEK –2.8 (–3.3) bn, mainly attributable to lower cost for bought services and personnel.

Other operating income and expenses amounted to SEK 0.1 (1.8) bn. The decrease was mainly a consequence of negative goodwill recognised last year, which amounted to SEK 1.1 bn, as a result of the NOVO Energy AB business combination. The foreign exchange rate effects from the valuation of operating assets and liabilities were negative versus last year and explain a decrease of SEK –0.9 bn. Share of income from JVs and associates increased to SEK 0.2 (–2.5) bn, mainly because the prior year included an impairment of SEK –1.7 bn on the investment in NOVO Energy AB, recognised before the business combination.

EBIT amounted to SEK 1.9 (3.9) bn, resulting in an EBIT margin of 2.0 (3.4)%. The exchange rate effects had a negative impact on EBIT compared to last year of SEK –1.0 bn. See complete EBIT bridge to the right.

Net financial items amounted to SEK –0.2 (–0.1) bn. The effective tax rate increased to 120.2 (37.6)%. The increase was mainly explained by valuation adjustments to deferred tax assets in China of SEK –1.8 bn, of which SEK –0.3 bn related to deferred tax assets not recognised during the quarter. Net income was SEK –0.4 (2.3) bn which represents –0.4 (2.1)% of revenue. Basic earnings per share amounted to SEK 0.43 (0.84).

Changes to Revenue, SEK bn	Oct–Dec
Revenue in 2024	112.1
Volume	–4.2
Sales mix and pricing	–5.3
Sale of licences	0.2
Foreign exchange rates	–6.5
Contract manufacturing	–0.7
Other ¹⁾	–1.2
Revenue in 2025	94.4
Change, %	–16

1) Including one-time sale of subscription car portfolios, emission credits, parts and accessories as well as used cars.

Items affecting comparability, SEK bn	Oct–Dec 2025	Oct–Dec 2024
Restructuring costs	0.1	—
Impairment of JV-shareholding in NOVO Energy AB	—	–1.7
Total	0.1	–1.7

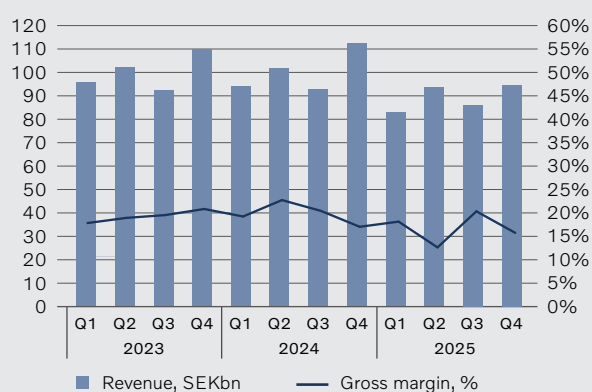
Changes to Operating income, SEK bn	Oct–Dec
EBIT in 2024	3.9
Volume	–0.8
Sales mix and pricing	–3.6
Sale of licences	0.1
Foreign exchange rates	–1.0
Share of income in JVs and associates	0.9
Items affecting comparability	1.8
Other ²⁾	0.6
EBIT in 2025	1.9
Change, %	–51

2) Including change in capitalised expenses, emission credits, used cars as well as depreciations and amortisations.

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Research and development, SEK m	3 Months			Full year		
	Oct–Dec 2025	Oct–Dec 2024	Δ%	2025	2024	Δ%
Research and development spending	–6,485	–7,888	–17.8	–26,378	–28,308	–6.8
Capitalised development costs	3,703	5,016	–26.2	15,855	18,724	–15.3
Amortisation of capitalised development costs	–2,034	–2,156	–5.7	–8,171	–7,399	10.4
Impairment of capitalised development costs	—	—	—	–7,373	—	—
Research and development expenses	–4,816	–5,028	–4.2	–26,067	–16,983	53.5

Revenue & Gross Margin



Operating Income (EBIT) & EBIT Margin



CASH FLOW

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

Total cash and cash equivalents together with marketable securities, amounted to SEK 57.6 (56.4) bn. Net cash was SEK 26.9 (27.1) bn, with a decrease primarily driven by working capital. Liquidity amounted to SEK 80.8 (88.5) bn, including undrawn credit facilities of SEK 23.3 (32.2) bn.

Cash flow from operating activities

Cash flow from operating activities amounted to SEK 15.9 (26.3) bn. The amount includes operating income of SEK 1.9 (3.9) bn, adjusted for depreciation and amortisation of SEK 5.9 (6.8) bn, and income tax paid amounting SEK –0.4 (–0.7) bn.

The change in working capital amounted to SEK 10.1 (13.8) bn. Driven by a SEK 3.5 (18.4) bn change in inventory, largely attributable to the normal sales cycle, as well as actions to shorten lead times and optimise inventory levels. The change in accounts receivable was SEK 2.1 (3.1) bn, mainly reflecting cash received from sales recorded in the prior quarter. Additionally, changes in accounts payable of SEK 4.8 (–11.8) bn was mainly due to an increase in production.

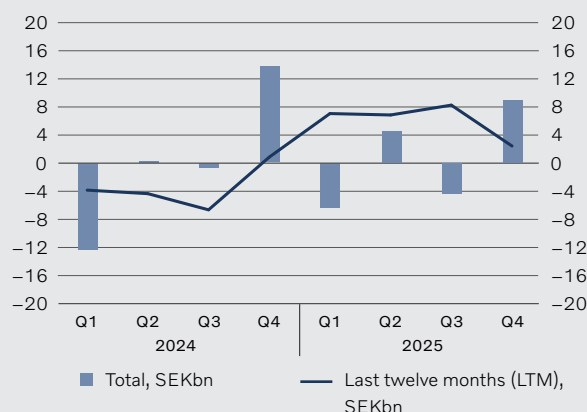
Cash flow from investing activities

Cash flow from investing activities amounted to SEK –7.1 (–12.7) bn. Investments in tangible assets were SEK –6.0 (–8.3) bn, primarily driven by industrial infrastructure investments to support future products and enhancements of current products. Investments in intangible assets amounted to SEK –3.6 (–5.1) 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. The investing activities were partially offset by proceeds of SEK 2.2 bn from the divestment of shares in Lynk & Co.

Cash flow from financing activities

Cash flow from financing activities amounted to SEK –1.4 (–0.9) bn. The changes were primarily attributed to the repayment of matured liabilities to credit institutions of SEK –1.2 bn.

Cash flow from Operating and Investing activities



Cash flow statement, SEK bn	3 Months		Full year	
	Oct–Dec 2025	Oct–Dec 2024	2025	2024
Cash flow from operating activities	15.9	26.3	34.6	47.4
Cash flow from investing activities	–7.1	–12.7	–32.2	–46.2
Cash flow from operating and investing activities	8.8	13.6	2.4	1.1
Cash flow from financing activities	–1.4	–0.9	1.7	5.9
Cash flow for the period	7.4	12.7	4.2	7.0

Full year 2025

INCOME AND RESULT

Non-operating items affecting comparability are excluded from this text if not otherwise stated.

Volvo Cars' revenue amounted to SEK 357.3 (400.2) bn and wholesale volumes declined by –11% to 693.0 (782.6) thousand cars. The revenue decrease was primarily explained by lower wholesale volumes of SEK –34.4 bn and unfavourable sales mix and pricing of SEK –4.3 bn, partially offset by increased used car sales of SEK 6.0 bn. Revenue was also affected by the one-time sale of subscription car portfolios, amounting to SEK 5.2 (2.7) bn, which had no material impact on gross income. Foreign exchange rates had an unfavourable impact on revenue due to a stronger SEK compared to last year, amounting to SEK –14.1 bn. See complete revenue bridge to the right.

This year was impacted by a one-off non-cash impairment charge for the EX90 and ES90 platform due to reduced life-cycle profitability, which in total amounted to SEK –11.4 bn. Of this amount, SEK –4.0 bn impacted cost of sales and most of the remaining amount impacted research and development expenses. The year was also impacted by a restructuring cost as a part of the turnaround plan, which amounted to SEK –0.8 bn.

Gross income decreased to SEK 64.3 (79.4) bn, resulting in a gross margin of 18.0 (19.8)%. Gross margin was impacted unfavourably by sales mix and pricing, higher US tariffs on imported goods and used cars. It was partially offset by material cost savings and revenue from earned emission credits which increased to SEK 3.5 (1.0) bn. Foreign exchange rate effects in the cost of sales were positive compared to last year, amounting to SEK 12.8 bn. The net effect of foreign exchange rates in gross income was negative versus last year, amounting to an impact of SEK –1.3 bn. Gross income including items affecting comparability amounted to SEK 60.2 (79.4) bn with the corresponding margin of 16.9 (19.8)%.

EBIT amounted to SEK 12.5 (24.0) bn, resulting in an EBIT margin of 3.5 (6.0)%. The decrease was mainly a consequence of sales mix and pricing and lower wholesale volume. These effects were partially offset by improved cost efficiency within selling and administrative expenses, as well as by the unrecognised share of Polestar losses. The exchange rate effects had a negative impact on EBIT compared to last year of SEK –1.7 bn. EBIT including items affecting comparability amounted to SEK 0.3 (22.3) bn with the corresponding margin of 0.1 (5.6)%. See complete EBIT bridge to the right.

Net financial items decreased to SEK –1.0 (0.4) bn, mainly as a result of changes in market valuations of financial investments and lower interest income attributable to lower interest rates. The effective tax rate increased to 42.2 (27.8)%.

The increase was mainly explained by valuation adjustments to deferred tax assets in China of SEK –2.3 bn, of which SEK –1.8 bn related to deferred tax assets not recognised during the year. Net income was SEK 6.7 (17.6) bn, representing 1.9 (4.4)% of revenue. Net income including items affecting comparability amounted to SEK –3.0 (15.9) bn with the associated effective tax rate of –345.6 (29.9)%. Basic earnings per share amounted to SEK 0.06 (5.17).

Changes to Revenue, SEK bn	Full year
Revenue in 2024	400.2
Volume	–34.4
Sales mix and pricing	–4.3
Sale of licences	1.3
Foreign exchange rates	–14.1
Contract manufacturing	–2.2
Other ¹⁾	10.8
Revenue in 2025	357.3
Change, %	–11

1) Including used cars, one-time sale of subscription car portfolios, emission credits as well as parts and accessories.

Items affecting comparability, SEK bn	Full year 2025	Full year 2024
Impairment charge for the EX90 and ES90 platform	–11.4	—
Restructuring costs	–0.8	—
Impairment of JV-shareholding in NOVO Energy AB	—	–1.7
Total	–12.2	–1.7

Changes to Operating income, SEK bn	Full year
EBIT in 2024	22.3
Volume	–7.9
Sales mix and pricing	–9.4
Sale of licences	1.2
Foreign exchange rates	–1.7
Share of income in JVs and associates ²⁾	3.7
Items affecting comparability	–10.5
Other ³⁾	2.6
EBIT in 2025	0.3
Change, %	–99

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

3) Includes personnel and material cost efficiencies, emission credits, change in capitalised expenses, parts and accessories as well as depreciation and amortisation.

CASH FLOW

Total cash and cash equivalents together with marketable securities, amounted to SEK 57.6 (56.4) bn. Net cash was SEK 26.9 (27.1) bn, with the decrease primarily driven by working capital. Liquidity amounted to SEK 80.8 (88.5) bn, which includes undrawn credit facilities of SEK 23.3 (32.2) bn.

Cash flow from operating activities was positive, amounting to SEK 34.6 (47.4) bn (see Cash flow table on page 11), and included a one-off impact of SEK 11.4 bn in adjustments for other non-cash items, primarily reflecting a non-cash impairment charge related to the EX90 and ES90 platforms following a reassessment of their lifecycle profitability. The change in working capital amounted to SEK 9.2 (4.1) bn, primarily driven by change in accounts payable SEK 7.2 (–7.5) bn, due to increased production.

Cash flow from investing activities amounted to SEK –32.2 (–46.2) bn, mainly driven by investments in tangible and intangible asset. As the major investments in the new product architecture are being finalised, a reduction in investment levels is seen and expected to continue, supported by continued cost consciousness. The investing activities were partially offset by the payment from the divestment of the 30% shareholding in Lynk & Co, which amounted to SEK 7.8 bn.

Cash flow from financing activities totalled SEK 1.7 (5.9) 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 148.4 (142.2) bn, resulting in an equity ratio of 39.8 (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 in other comprehensive income of SEK 4.7 bn. The increase was offset by a net loss amounting to SEK –3.0 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 –4.0 bn (net of tax). Remeasurements of provisions for post-employment benefits had an effect of SEK 1.9 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 6.8 bn (net of tax). The change in value of cash flow hedges is mainly due to positive effects from increased prices of raw materials and appreciated SEK compared to most of the major currencies.

SALES AND MARKET DEVELOPMENT

Throughout the full year 2025, the global passenger car market operated under challenging and uneven conditions, influenced by a combination of macroeconomic pressures, geopolitical tensions, as well as regulatory and trade-related developments. The industry's transition towards electrification progressed at a moderated pace during 2025. Overall, the year was characterised by restrained demand, intensified competition, and a heightened focus on profitability as well as efficiency.

Volvo Cars' full-year retail deliveries reached 710.0 (763.4) thousand cars. Wholesales decreased by 11%, and production decreased by 9% to 694.2 (760.4) thousand cars. Despite the headwinds during 2025, Volvo Cars remained committed to navigating uncertainty while positioning the business for sustainable growth. The focus remains on efficiency, cost control and strengthening the core business, providing a solid foundation for when market conditions stabilise. Sales of BEVs decreased by 13% to 151.8 (175.2) thousand cars, and PHEV sales decreased by 3% compared to 2024.

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

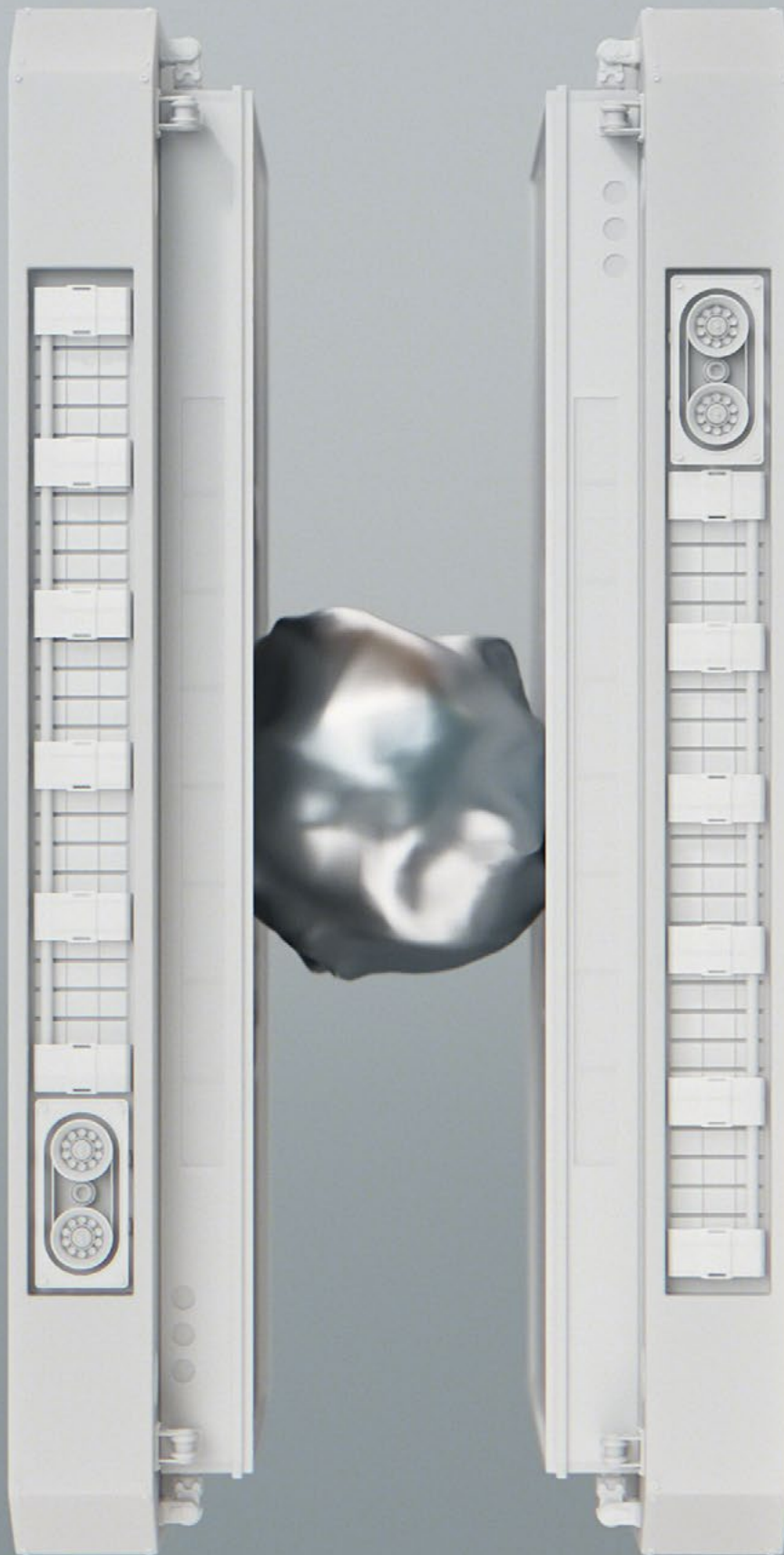
on demand from fluctuating interest rate levels, tariffs and lower consumer confidence, remain at an elevated level.

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 24.

EMPLOYEES

In 2025, Volvo Car Group on average employed 42.6 (42.6) thousand full-time employees (FTEs) and 2.3 (3.4) thousand agency personnel. The main driver behind the reduction in agency personnel is the effect from the restructuring programme. That effect is also visible for FTEs when comparing year end figures for 2025 with 2024 by about 2.3 thousand employees.



Consolidated Income Statements

SEK m	Note	Oct-Dec 2025	Oct-Dec 2024	Full year 2025	Full year 2024
Revenue	2	94,384	112,119	357,263	400,234
Cost of sales		-79,440	-92,997	-297,042 ¹⁾	-320,821
Gross income		14,944	19,122	60,221	79,413
Research and development expenses		-4,816	-5,028	-26,067 ¹⁾	-16,983
Selling expenses		-5,811	-6,225	-23,213	-25,409
Administrative expenses		-2,759	-3,311	-10,476	-12,038
Other operating income and expenses		149	1,761	-816 ¹⁾	2,057
Share of income in joint ventures and associates		179	-2,466	654	-4,722
Operating income		1,886	3,853	303	22,318
Interest income and similar credits		492	440	1,929	2,190
Interest expenses and similar charges		-287	267	-1,251	-1,164
Other financial income and expenses	3	-359	-815	-1,647	-625
Income before tax	4	1,732	3,745	-666	22,719
Income tax		-2,082	-1,408	-2,302	-6,785
Net income		-350	2,337	-2,968	15,934
Net income attributable to					
Owners of the parent company		1,287	2,503	174	15,401
Non-controlling interests		-1,637	-166	-3,142	533
Basic earnings per share, SEK	5	0.43	0.84	0.06	5.17
Diluted earnings per share, SEK	5	0.43	0.84	0.06	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	Oct-Dec 2025	Oct-Dec 2024	Full year 2025	Full year 2024
Net income for the period	-350	2,337	-2,968	15,934
Other comprehensive income				
<i>Items that will not be reclassified subsequently to income statement:</i>				
Remeasurements of provisions for post-employment benefits	1,022	-347	2,403	-312
Tax on items that will not be reclassified to income statement	-219	58	-496	55
<i>Items that have been or may be reclassified subsequently to income statement:</i>				
Translation difference on foreign operations	-488	962	-4,646	965
Translation difference of hedge instruments of net investments in foreign operations	257	-168	749	-316
Change in fair value of cash flow hedge related to currency and commodity price risks	2,577	-4,695	8,591	-5,383
Tax on items that have been or may be reclassified to income statement	-584	1,002	-1,924	1,174
Other comprehensive income, net of income tax	2,565	-3,188	4,677	-3,817
Total comprehensive income for the period	2,215	-851	1,709	12,117
Total comprehensive income attributable to				
Owners of the parent company	3,840	-910	5,397	11,285
Non-controlling interests	-1,625	59	-3,688	832
	2,215	-851	1,709	12,117

Consolidated Balance Sheets

SEK m	Note	31 Dec 2025	31 Dec 2024
ASSETS			
Non-current assets			
Intangible assets		82,965	83,781
Tangible assets		99,391	107,124
Investments in joint ventures and associates	4	7,003	8,998
Other long-term securities holdings	3	10,454	12,753
Deferred tax assets		8,363	12,260 ¹⁾
Other non-current interest-bearing receivables		1,235	1,440
Non-current derivative assets	3	1,743	283
Other non-current assets		4,217	2,984 ¹⁾
Total non-current assets		215,371	229,623
Current assets			
Inventories		59,024	62,455
Accounts receivable	4	21,241	22,780
Current tax assets		1,284	1,854
Current derivative assets	3	4,923	485
Other current assets	4	13,764	14,665
Marketable securities	3	1	—
Cash and cash equivalents	3	57,564	56,373
Total current assets		157,801	158,612
TOTAL ASSETS		373,172	388,235
EQUITY & LIABILITIES			
Equity			
Equity attributable to owners of the parent company		147,079	137,461
Non-controlling interests		1,299	4,738
Total equity		148,378	142,199
Non-current liabilities			
Provisions for post-employment benefits		5,853	8,111
Deferred tax liabilities		9,864	11,080
Other non-current provisions		8,528	9,501
Liabilities to credit institutions	3	6,723	3,885
Non-current bonds	3	21,645	18,826
Non-current contract liabilities to customers		8,605	10,755
Other non-current interest-bearing liabilities		5,355	7,745
Non-current derivative liabilities	3	253	1,252
Other non-current liabilities		6,714	5,298
Total non-current liabilities		73,540	76,453
Current liabilities			
Provisions, current		8,356	11,379
Liabilities to credit institutions	3	922	1,059
Current bonds	3	1,500	5,723
Current contract liabilities to customers		31,264	34,997
Accounts payable	3,4	57,768	56,479
Current tax liabilities		1,322	1,246
Other current interest-bearing liabilities		1,570	2,490
Current derivative liabilities	3	485	2,890
Other current liabilities	4	48,067	53,320
Total current liabilities		151,254	169,583
TOTAL EQUITY & LIABILITIES		373,172	388,235

1) In 2025, Volvo Cars has adjusted the presentation of certain unused tax credits in the US, resulting in a reclassification amounting to SEK 1,099 (1,278) m, to more accurately reflect the nature of these items.

Consolidated Statement of Changes in Equity

SEK m	31 Dec 2025	31 Dec 2024
Opening balance	142,199	130,485
Net income for the period	-2,968	15,934
Other comprehensive income, net of income tax	4,677	-3,817
Total comprehensive income	1,709	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	126	67
Share-based payments	-56	17
Transactions with owners	4,470	-403
Closing balance	148,378	142,199
Attributable to		
Owners of the parent company	147,079	137,461
Non-controlling interests	1,299	4,738
Closing balance	148,378	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 in 2024.

Consolidated Statement of Cash Flows

SEK m	Oct-Dec 2025	Oct-Dec 2024	Full year 2025	Full year 2024
OPERATING ACTIVITIES				
Operating income	1,886	3,853	303	22,318
Depreciation and amortisation of non-current assets	5,941	6,758	23,945	22,730
Dividends received from joint ventures and associates	—	—	205	213
Interest and similar items received	492	440	1,929	2,190
Interest and similar items paid	-550	-254	-1,538	-1,623
Other financial items	-272	-108	-1,963	-836
Income tax paid	-448	-682	-3,724	-4,448
Adjustments for other non-cash items	-1,284	2,525	6,281	2,754
	5,765	12,532	25,438	43,298
Movements in working capital				
Change in inventories	3,457	18,425	2,353	-2,757
Change in accounts receivable	2,127	3,147	-84	-1,386
Change in accounts payable	4,803	-11,831	7,205	-7,539
Change in provisions	-51	-1,717	-1,867	-1,905
Change in contract liabilities to customers	968	6,802	644	8,709
Change in other working capital	-1,172	-1,040	936	8,952
Cash flow from movements in working capital	10,132	13,786	9,187	4,074
Cash flow from operating activities	15,897	26,318	34,625	47,372
INVESTING ACTIVITIES				
Investments in shares and participations	-9	462	280	-1,901
Divestment of shares and participations	2,188	—	7,716	-217
Loans to affiliated companies ¹⁾	—	1	-2,727	-75
Repayment of loans from affiliated companies ²⁾	—	—	1,688	—
Investments in intangible assets	-3,637	-5,079	-17,252	-19,774
Investments in tangible assets	-5,955	-8,282	-22,825	-25,259
Disposal of tangible assets	335	190	872	981
Other	28	—	72	—
Cash flow from investing activities	-7,050	-12,708	-32,176	-46,245
Cash flow from operating and investing activities	8,847	13,610	2,449	1,127
FINANCING ACTIVITIES				
Proceeds from credit institutions	152	165	4,947	199
Proceeds from bond issuance	—	—	5,476	5,857
Acquisition of treasury shares	—	—	-219	-190
Repayment of bond	—	—	-5,732	-6,936
Repayment of liabilities to credit institutions	-1,228	-300	-1,631	-862
Repayment of interest-bearing liabilities	-516	-608	-2,108	-2,053
Investments in/maturities of marketable securities	-1	569	-1	10,269
Other	189	-744	996	-368
Cash flow from financing activities	-1,404	-918	1,728	5,916
Cash flow for the period	7,443	12,692	4,177	7,043
Cash and cash equivalents at beginning of period	50,648	42,965	56,373	47,861
Exchange difference on cash and cash equivalents	-527	716	-2,986	1,469
Cash and cash equivalents at end of period	57,564	56,373	57,564	56,373

1) In the second quarter 2025, Volvo Cars made a payment under the financial guarantee arrangement described in the 2024 Annual Report in 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 International Accounting Standards Board (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.

Material accounting policies & critical accounting estimates and judgements

Impairment of Platform Cash-Generating Unit

During the year, Volvo Car Group recognised an impairment for the EX90 and ES90 cash-generating unit (CGU) of SEK 11,431 m. At the reporting date, management assessed whether any additional impairment indicators existed for this CGU and concluded that no further impairment or reversal was required.

EX30 safety notice

On 30 December 2025, Volvo Cars issued a precautionary safety notice relating to a potential issue identified in certain EX30 battery cells. Volvo Cars has established the root cause of the issue. However, as of the date of this report, the assessment of the number of affected vehicles, the most appropriate remediation measures and the related cost implications, including any potential supplier recovery, has not yet been concluded. Due to these uncertainties, it is not possible to make a reliable estimate of any potential obligation or any related supplier recovery, but Volvo Cars is in close dialogue with the supplier. Consequently, Volvo Cars has not recognised any provision or supplier recovery receivable as of year end.

NOTE 2 – Revenue

Revenue allocated to geographical regions SEK m	Oct–Dec 2025	Oct–Dec 2024	Full year 2025	Full year 2024
Europe	48,481	59,284	193,593	208,914
of which Germany	9,140	9,971	33,334	30,795
of which Sweden ¹⁾	8,291	14,287	39,555	48,096
of which United Kingdom	7,984	8,476	35,213	30,438
US	19,416	19,284	64,043	69,496
China	12,449	18,438	49,304	63,682
Other markets	14,038	15,113	50,323	58,142
of which Türkiye	2,812	2,440	7,847	8,051
of which Canada	1,615	2,038	6,793	6,659
Total	94,384	112,119	357,263	400,234

1) Includes the Contract manufacturing sales channel.

Revenue allocated to category SEK m	Oct–Dec 2025	Oct–Dec 2024	Full year 2025	Full year 2024
Sales of new cars	67,000	83,331	250,468	303,880
Sales of used cars	8,962	9,672	32,509	27,747
Sales of parts and accessories	10,070	9,869	38,835	38,497
Revenue from subscription, leasing and rental business	1,112	1,959	5,675	6,709
Sales of licences and royalties	217	17	1,936	647
Contract manufacturing	2,035	3,004	10,249	13,151
Emissions credits	1,063	213	3,501	994
Other revenue ²⁾	3,925	4,054	14,090	8,609
Total	94,384	112,119	357,263	400,234

2) Includes one-time sale of subscription car portfolios amounting to SEK 5.2 (2.7) bn, whereof SEK 0.8 (2.7) bn impact the fourth quarter.

Timing of revenue recognition SEK m	Oct–Dec 2025	Oct–Dec 2024	Full year 2025	Full year 2024
At the point of delivery	91,710	108,896	345,635	388,210
Over the contract term	2,674	3,223	11,628	12,024
Total	94,384	112,119	357,263	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.

SEK m	Measurement level	31 Dec 2025		31 Dec 2024	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets carried at amortised cost					
Accounts receivable	—	21,241	21,241	22,780	22,780
Other financial receivables, non-current and current ¹⁾	—	5,022	5,030	2,167	2,179
Cash and cash equivalents	—	57,564	57,578	56,373	56,390
		83,827	83,849	81,320	81,344
Financial assets carried at fair value through profit or loss					
Other long-term securities holdings		10,454	10,454	12,753	12,753
<i>of which convertible loan²⁾</i>	2	9,177	9,177	11,261	11,261
<i>of which equity instruments</i>	3	1,277	1,277	1,473	1,473
<i>of which equity instruments</i>	1	—	—	19	19
Non-current and current derivative assets		6,666	6,666	768	768
<i>of which currency derivatives – designated hedging instruments</i>	2	3,447	3,447	214	214
<i>of which commodity derivatives – designated hedging instruments</i>	2	2,920	2,920	229	229
<i>of which interest rate swap – designated hedging instruments</i>	2	168	168	—	—
<i>of which currency derivatives – not designated hedging instruments</i>	2	131	131	117	117
<i>of which interest rate swap derivatives</i>	2	—	—	208	208
		17,120	17,120	13,521	13,521
Financial assets carried at fair value through other comprehensive income					
Marketable securities	2	1	1	—	—
		1	1	—	—
Financial liabilities carried at amortised cost					
Accounts payable	—	57,768	57,768	56,479	56,479
<i>of which payables under supplier financing programmes</i>	—	4,434	4,434	3,458	3,458
<i>of which suppliers received payment from financial institution</i>	—	4,033	—	2,885	—
Non-current and current bonds and liabilities to credit institutions ³⁾	—	30,790	31,797	29,493	30,242
Other financial liabilities, non-current and current ⁴⁾	—	22,147	22,147	18,217	18,217
<i>of which payables under supplier financing programmes</i>	—	712	712	—	—
<i>of which suppliers received payment from financial institution</i>	—	712	—	—	—
		110,705	111,712	104,189	104,938
Financial liabilities carried at fair value through profit or loss					
Non-current and current derivative liabilities		738	738	4,142	4,142
<i>of which currency derivatives – designated hedging instruments</i>	2	269	269	2,160	2,160
<i>of which commodity derivatives – designated hedging instruments</i>	2	249	249	1,206	1,206
<i>of which interest rate swap derivatives – designated hedging instruments</i>	2	57	57	—	—
<i>of which currency derivatives – not designated hedging instruments</i>	2	57	57	625	625
<i>of which interest rate swap derivatives – not designated hedging instruments</i>	2	106	106	—	—
<i>of which interest rate swap derivatives</i>	2	—	—	151	151

1) Includes items presented as Other non-current and current assets on the balance sheet, amounted to SEK 3,787 (727) m.

2) The value of the conversion option connected to the convertible loan receivable to the Polestar Group is nil because the loan is convertible into equity securities at a price equivalent to what has been offered to all other market participants, without any preferential rights, discounts, or incentives.

3) The carrying amount of the bonds includes a fair value adjustment amounting to SEK 96 (235) m, which relates to fair value hedging.

4) Includes the repurchase value obligation on cars sold with repurchase commitment which are presented as Other non-current and current liabilities on the balance sheet amounted to SEK 18,480 (17,241) m. Includes also items presented as Other non-current and current liabilities on the balance sheet, amounting to SEK 3,613 m. Excluding the lease liabilities which is presented as Other non-current and current liabilities on the balance sheet amounting to SEK 6,871 (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.

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

	31 Dec 2025	31 Dec 2024
	Equity instruments	Equity instruments
Opening balance	1,473	1,507
Investment	50	100
Impairment	-2	—
Changes in fair value	-52	-163
<i>of which recognised in Other financial income and expenses</i>	-52	414
<i>of which recognised in Share of income in joint ventures and associates</i>	—	-577
Exchange rate differences	-192	29
Closing balance	1,277	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 period

On 28 November, Volvo Cars received the remaining part of RMB 1,639 m, including interest, from Zhejiang Zeekr Intelligent Technology Co., Ltd for the divestment of its 30% shareholding in Lynk & Co Automotive Technology Co., Ltd made in February 2025.

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	Oct–Dec 2025	Oct–Dec 2024	Full year 2025	Full year 2024
Related companies ¹⁾²⁾	3,757	4,841	15,792	17,918
<i>of which Polestar Automotive Holding UK Group</i>	2,772	3,642	13,730	15,402
<i>of which Ningbo Fuhong Auto Sales Co., Ltd</i>	88	1,047	571	1,783
Joint ventures and associated companies	2,540	5,357	13,121	11,821
<i>of which Volvo Car Financial Services UK Ltd</i>	1,986	2,253	11,276	7,686

VOLVO CAR GROUP

Purchases of goods, services and other

SEK m	Oct–Dec 2025	Oct–Dec 2024	Full year 2025	Full year 2024
Related companies ¹⁾²⁾	–8,297	–9,907	–36,992	–54,451
of which Zhangjiakou Geely New Energy Automobile Co., Ltd	–3,076	—	–9,089	—
of which Powertrain Engineering Sweden AB	–2,692	–3,212	–11,561	–13,125
of which Zhangjiakou Aurobay Powertrain Manufacturing Co., Ltd	–636	–935	–3,110	–3,933
of which Geely Changxing Automatic Transmission Co., Ltd	–404	–536	–1,995	–1,795
of which Viridi E-Mobility Technology (Ningbo) Co., Ltd	–364	–371	–3,007	–1,481
of which Zhejiang Haoqing Automobile Manufacturing Co., Ltd	–175	–253	–328	–1,995
of which Zhejiang Geely Automobile Co., Ltd	–21	–3,124	–3,270	–28,497
Joint ventures and associated companies	–292	–302	–1,188	–2,262

SEK m	Receivables ³⁾		Payables ³⁾	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Related companies ¹⁾²⁾	21,091	23,077	11,531	12,679
Joint ventures and associated companies	1,390	1,801	86	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 10,800 (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	Oct–Dec 2025	Oct–Dec 2024	Full year 2025	Full year 2024
Net income attributable to owners of the parent company	1,287	2,503	174	15,401
Net income attributable to owners of ordinary shares in the parent company	1,287	2,503	174	15,401
Weighted average number of ordinary shares outstanding, basic ¹⁾	2,964,626,394	2,973,930,795	2,968,505,485	2,977,042,500
Basic earnings per share, SEK	0.43	0.84	0.06	5.17
Diluted earnings per share, SEK m	Oct–Dec 2025	Oct–Dec 2024	Full year 2025	Full year 2024
Net income in basic earnings per share	1,287	2,503	174	15,401
Net income in diluted earnings per share	1,287	2,503	174	15,401
Weighted average number of ordinary shares outstanding, basic ¹⁾	2,964,626,394	2,973,930,795	2,968,505,485	2,977,042,500
Dilutive effect for share-based payment programmes	2,774,755	1,680,936	2,431,998	1,135,042
Weighted average number of ordinary shares outstanding, diluted	2,967,401,149	2,975,611,731	2,970,937,483	2,978,177,542
Diluted earnings per share, SEK	0.43	0.84	0.06	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 13 contains information on Volvo Cars' assessments of the global environment on the Group.

Condensed Parent Company Income Statements

SEK m	Oct–Dec 2025	Oct–Dec 2024	Full year 2025	Full year 2024
Administrative expenses	–11	–13	–38	–41
Operating loss	–11	–13	–38	–41
Interest income and similar credits	373	378	1,421	1,587
Interest expenses and similar charges	–272	–266	–1,006	–1,011
Other financial income and expenses ¹⁾²⁾	3,193	6,517	3,172	6,500
Income before tax	3,283	6,616	3,549	7,035
Income tax	877	–503	806	–583
Net income	4,160	6,113	4,355	6,452

1) Dividend of SEK 3,200 (4,000) m has been received from subsidiary.

2) Group contribution of SEK — (2,525) m has been received from subsidiary.

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

Condensed Parent Company Balance Sheets

SEK m	31 Dec 2025	31 Dec 2024
ASSETS		
Non-current assets ¹⁾	49,798	42,201
Current assets	22,147	22,874
TOTAL ASSETS	71,945	65,075
EQUITY & LIABILITIES		
Equity		
Restricted equity	61	61
Non-restricted equity	41,092	36,884
Total equity	41,153	36,945
Non-current liabilities	24,117	21,665
Current liabilities	6,675	6,465
Total liabilities	30,792	28,130
TOTAL EQUITY & LIABILITIES	71,945	65,075

1) Group contribution of SEK 4,262 (—) m has been given to subsidiary.

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).

Mild Hybrid Electric Vehicle (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 and can be used in making comparisons between reporting periods.

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 Volvo Car 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	Oct-Dec 2025	Oct-Dec 2024	Full year 2025	Full year 2024
Revenue	94,384	112,119	357,263	400,234
Cost of sales	-79,440	-92,997	-297,042	-320,821
Research and development expenses	-4,816	-5,028	-26,067	-16,983
Operating income (EBIT)	1,886	3,853	303	22,318
EBIT excl. share of income in JVs & associates	1,707	6,319	-351	27,040
EBIT excl. Items affecting comparability	1,752	5,555	12,556	24,020
Net income	-350	2,337	-2,968	15,934
EBITDA	7,827	10,611	35,679	45,048
Gross margin, %	15.8	17.1	16.9	19.8
Gross margin, excl. Items affecting comparability, %	15.9	17.1	18.0	19.8
EBIT margin, %	2.0	3.4	0.1	5.6
EBIT margin excl. share of income in JVs & associates, %	1.8	5.6	-0.1	6.8
EBIT margin excl. Items affecting comparability, %	1.9	5.0	3.5	6.0
EBITDA margin, %	8.3	9.5	10.0	11.3

Gothenburg, 4 February 2026

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 5 February, 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 March 2026:	Publishing of Annual Report 2025
31 March 2026:	Annual General Meeting
29 April 2026:	Q1 2026 report
17 July 2026:	Q2 2026 report
23 October 2026:	Q3 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

