

V O L V O



Volvo Car Group

Interim report first quarter 2026



January–March 2026

- Retail sales decreased by 11% to 153.3 (172.2) thousand cars.
- Revenue amounted to SEK 72.6 (82.9) bn. The decrease was primarily explained by foreign exchange rate effects, driven by a stronger SEK compared to prior year, as well as by sales mix and pricing.
- EBIT was SEK 1.6 (1.9) bn. The decrease was mainly attributable to sales mix and pricing, US tariffs on imported goods as well as depreciation and amortisation, offset by variable and indirect cost driven by the cost and cash action plan.
- EBIT margin was 2.2 (2.3)%.
- Basic earnings per share was SEK 0.54 (0.40).
- Operating and investing cash flow was SEK –10.0 (–6.3) bn, mainly reflecting seasonality and an intentional ramp-up of inventories in preparation for the EX60 launch and production, as well as related investments to support anticipated demand and secure full-year sales.
- On 21 January, Volvo Cars launched the all-new Volvo EX60, a milestone all-electric mid-size SUV and the first model built on the new SPA3 architecture, marking a new chapter in the company's electric growth journey.
- On 1 February, Thomas Ingenlath returned to Volvo Cars as Chief Design Officer, joining the Executive Management Team.
- On 30 March, Volvo Cars and Geely Auto signed an MoU to make Volvo Cars the exclusive European importer and commercial partner for Lynk & Co, expanding Volvo Cars' addressable market and enabling access to new customer segments and price points through its retail and service network.
- On 31 March, Volvo Cars converted USD 274 m in principal of the outstanding convertible loan receivable from Polestar into shares in Polestar Automotive Holding UK PLC. After this transaction, Volvo Car Group holds a 19.9% ownership in Polestar, compared to 13.7% at the end of 2025.
- On 31 March, Volvo Cars also announced its plan to consolidate the production of Polestar 3 cars at Volvo Cars' factory in the US.
- At the Annual General Meeting of Volvo Car AB (publ.), held on 31 March 2026, Natalie Knight and Markus Schäfer were elected as new Board members, adding valuable experience from the OEM sector.

Updates after the period

- On 22 April, the new Volvo EX60 started production in the Torslanda plant, in Gothenburg, Sweden.

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.

SEK bn unless otherwise stated	3 Months			12 Months	
	Jan-Mar 2026	Jan-Mar 2025	Δ ³⁾	LTM ⁴⁾	Full year 2025
Retail sales, k units ¹⁾	153.3	172.2	-11	691.2	710.0
Revenue	72.6	82.9	-12	346.9	357.3
Research and development expenses	-5.0	-4.3	16	-26.8	-26.1
Operating income (EBIT) ²⁾	1.6	1.9	-17	0.0	0.3
EBIT excl. share of income in JVs and associates ²⁾	1.4	1.9	-23	-0.8	-0.4
EBIT excl. items affecting comparability ²⁾	1.6	1.9	-17	12.2	12.5
Net income	0.7	1.0	-26	-3.2	-3.0
Basic earnings per share, SEK	0.54	0.40	34	0.20	0.06
EBITDA ²⁾	7.7	7.7	—	35.7	35.7
Cash flow from operating activities	-2.6	-2.0	28	34.1	34.6
Cash flow from investing activities	-7.4	-4.2	74	-35.3	-32.2
Gross margin, % ²⁾	18.5	18.2	0.3	22.4	16.9
Gross margin excl. items affecting comparability, % ²⁾	18.5	18.2	0.3	22.4	18.0
EBIT margin, % ²⁾	2.2	2.3	-0.1	0.0	0.1
EBIT margin excl. share of income in JVs and associates, % ²⁾	2.0	2.3	-0.3	-0.2	-0.1
EBIT margin excl. items affecting comparability, % ²⁾	2.2	2.3	-0.1	3.5	3.5
EBITDA margin, % ²⁾	10.6	9.3	1.3	10.3	10.0

1) Non-financial operating metric.

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

3) Changes are shown as relative percentages for income statement and cash flow items, and as percentage-point changes for margin measures.

4) Last Twelve Months.



Q1 2026: Reinforcing our strength in a volatile world

Dear shareholders,

The first quarter of 2026 shows a clear divide between what we can control and a very challenging external environment. The entire industry faces external headwinds such as tariffs and heavy competition. On top of that, geopolitical tensions and economic uncertainty have increased considerably with escalated conflict in the Middle East.

However, we are successfully executing on our defined actions according to plan, so the areas we can control continued to improve in Q1. We continued our electrification journey and our fully electric cars (BEV) share increased to a class-leading level. We maintained our position in the premium segment in Europe, and we delivered a strong momentum in our cost and cash actions. This has helped us offset some of the negative effects of external headwinds.

Strong BEV performance

Although the quarter's overall sales were down, our BEV sales increased by 12 per cent in Q1 and our BEV share of total sales grew to 24 per cent. This is the highest among all our premium competitors. Including March, our BEV sales have now grown for six consecutive months both globally and in Europe.

Importantly, this performance is driven by our electric 30, 40 and 90 models. Our biggest asset is still to come, as we have just started production of the game-changing, fully electric EX60 SUV. This will significantly increase our addressable market in BEVs.

Orders for the EX60 continue to exceed our internal forecasts. We will increase our EX60 production volume for 2026 to meet the demand and we aim to keep the Torslanda plant open for some extra days. Margins on the ordered cars have so far also surpassed our expectations, which is very encouraging.

Solid momentum in Europe

We saw solid commercial momentum in Europe, our largest market. Especially positive was a record quarter for Volvo in the UK. We were one of the leading premium BEV brands in Europe, with a strong BEV volume growth and BEV market share, making us one of the fastest growing premium BEV brands in the region.

We increased the appeal of the EX30 with a new entry level powertrain, and March was the best month so far in terms of EX30 orders.

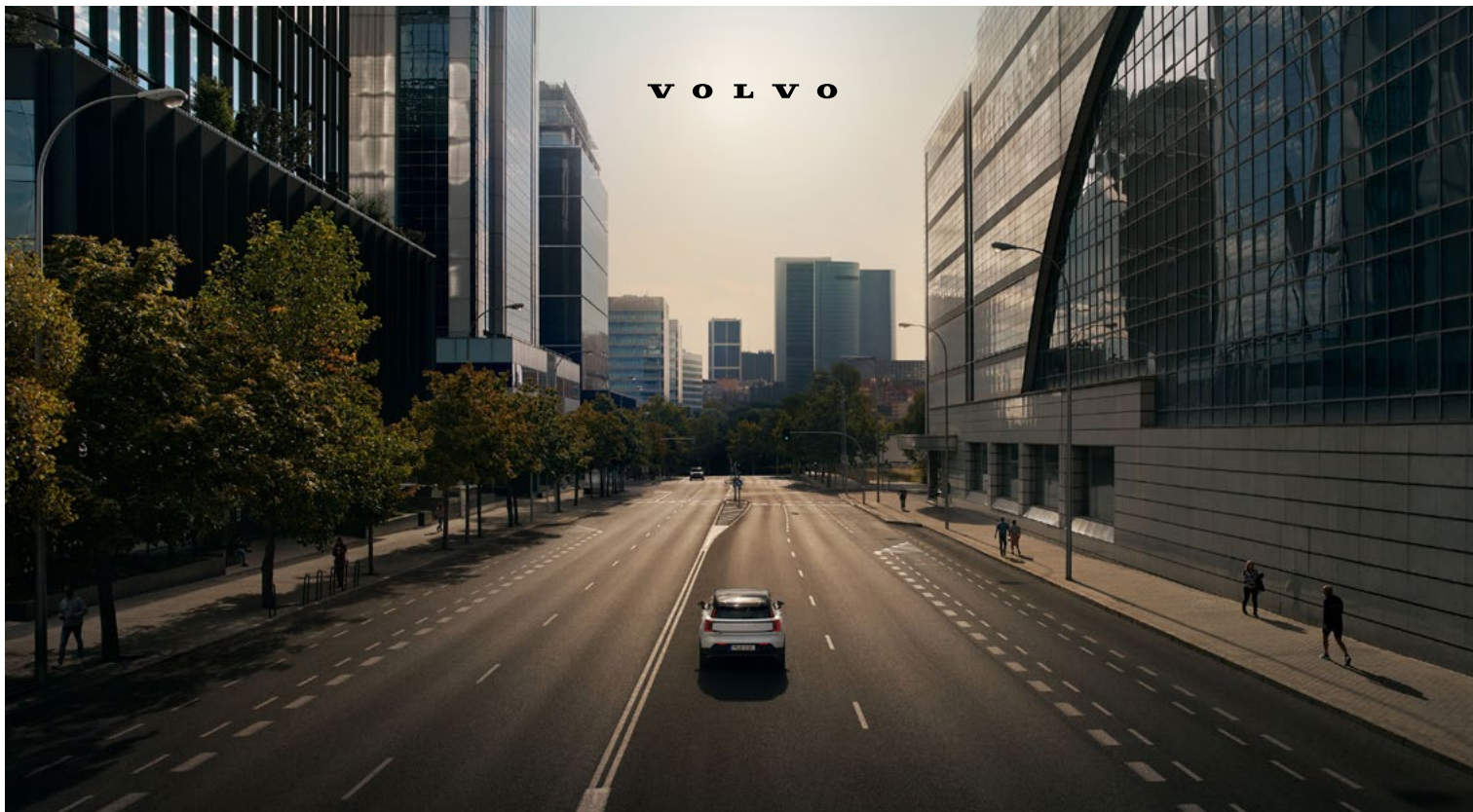
In addition, we recently announced plans to take over import and commercial responsibility for Lynk & Co in Europe. These cars are priced at another level and will help us to reach new audiences.

While Europe is solid, the US and China markets remain challenging. Developments in the US have been worse than we anticipated. Consumer confidence is under significant pressure and the market is taking much longer to recover from the removal of incentives. As a result, sales of both BEV and plug-in hybrid (PHEV) segments have declined significantly.

In China we face tough competition, both in terms of pricing and new product launches from competitors. However, we defended our overall market share in China and improved our PHEV share. The new XC70 long-range PHEV in China demonstrates the strength of our second generation plug-ins. We are also expanding the addressable market with a new XC70 front-wheel drive variant.



“ *The first quarter shows a clear divide between what we can control and a very challenging external environment. We are successfully executing on our defined actions according to plan.* ”



Cost actions continue to deliver as planned

Financially, we delivered continued positive effects from our cost and cash action plan in Q1, with considerably lower employee costs. Indirect spend was lowered by SEK 1.4 billion vs Q1 last year and we are on track to reduce the planned additional SEK 5 billion in variable costs and indirect spend beyond last year's savings.

Under these challenging conditions we reached an EBIT of SEK 1.6 bn, corresponding to an EBIT margin of 2.2 per cent. Free cash flow came in at SEK -10.0 bn. This is according to plan, due to seasonality and inventory build-up of stock related to the introduction of the new EX60.

As we have said before, we are now past our investment peak, which means we are entering into a phase of lower investments and better cash flow.

Looking ahead

In a continued challenging market we expect an improvement of our volumes during H2, with a strong product offer supported by momentum from the new EX60. We still aim for full-year volume growth as guided previously.

The EX60, which has been very well received, will soon reach the first customers and introduce ground-breaking new technologies. This has been validated by the recent S&P ranking on software-defined cars, in which Volvo Cars achieved Level 5 status.

Q2 profitability will be affected by continued headwinds and the EX60 production start and ramp-up. However, we maintain our outlook on clearly better full year cash flows versus 2025. We remain confident in the strength of our long-term strategy and we continue to strengthen our core areas.

Håkan Samuelsson
President and CEO

Quarterly highlights

Launch of the EX60

On 21 January, Volvo Cars launched the Volvo EX60, a new all-electric mid-size SUV, the first car built on the new SPA3 electric architecture. The EX60 changes the game in the largest electric market segment in terms of range, charging speed, performance and price. The five-seater, family-friendly EX60 delivers a groundbreaking user experience and represents the next frontier in safety. It is also Volvo Cars' first entry into the D-segment, the largest electric segment globally, allowing it to substantially increase Volvo Cars' addressable market and electric market share.

Volvo Cars will prioritise a steady and prudent ramp-up of EX60 production that aims to secure high-quality. However, on the back of strong customer demand for the car in its home market of Sweden and other key markets such as Germany, Volvo Cars is now planning an increase in the 2026 production volumes of the EX60 at its Torshälla plant in Sweden.

Changes to the Executive Management Team and the Board of Directors

Executive Management Team

Effective 1 February 2026, Thomas Ingenlath is the new Chief Design Officer for Volvo Cars, joining the Executive Management Team. Thomas Ingenlath previously served as Senior Vice President Design at Volvo Cars, but more recently, as CEO of Polestar.

Board of Directors

At Volvo Cars' Annual General Meeting on 31 March, Natalie Knight and Markus Schäfer were elected as new Board members, the latter with effect as of 1 July 2026. Anna Mossberg and Caroline Grégoire Sainte Marie both declined re-election.

EX30 wins prestigious Good Design Award 2025

In February the EX30 was awarded with the prestigious Good Design Award in the Transportation category.

The EX30 has the lowest carbon footprint of any fully electric Volvo car and is packed with recycled and natural materials. It has a range of up to 475 km and exciting driving dynamics. So far, Volvo Cars has sold close to 200,000 EX30s and recently, Volvo Cars announced a number of updates to the model, including a new entry-level powertrain option.

Volvo Cars recognised as a world leader in software-defined cars and made the largest over-the-air car software update in history

During the quarter, Volvo Cars has achieved the highest possible ranking on carmakers' software defined capabilities by S&P Global Mobility. It is the only legacy carmaker globally to reach

Level 5 SDV (software-defined vehicle) capability. The recognition highlights Volvo Cars' ability to improve nearly every function of the car throughout its lifecycle and offer better value to customers, through software. For example, it can use over-the-air updates (OTA) to add safety features, unlock faster charging speeds, increase driving range and enhance user experience.

In March, Volvo Cars launched its largest over-the-air software update ever, rolling out a new, more intuitive user experience to millions of customers. Around 2.5 million Volvo cars across 85 countries around the globe are receiving the new user experience, called Volvo Car UX. A more user-friendly new layout for the car's central display screen allows drivers to enjoy a faster, easier and more intuitive way to interact with their cars while reducing the number of taps to get to different functions.

The upgrade will even affect some Volvo cars built as early as 2020 free of charge, an initiative in line with Volvo Cars' strategy to make its cars better over time with regular software updates.

Volvo Cars intends to become importer of Lynk & Co cars in Europe

On 30 March it was announced that Volvo Cars and Geely Auto have signed a memorandum of understanding (MoU), for a new commercial partnership with Lynk & Co in Europe, subject to final agreements. The partnership states Volvo Cars is intended to become the exclusive importer of Lynk & Co cars in Europe and being responsible for Lynk & Co's commercial and brand operations in Europe, further supporting the brand's growth plans in the region. In addition, the commercial partnership aims to increase the sales and servicing business for Volvo Cars' and their retailer partners. Volvo Cars intends to use Volvo Cars retailers for the sale of Lynk & Co cars and use its sales and servicing system in relevant markets.

Polestar 3 production in the US

Volvo Cars and Polestar plan to consolidate the production of Polestar 3 cars at Volvo Cars' US-based car plant outside Charleston in South Carolina. The Polestar 3 is currently also produced in Chengdu, China.

The move to consolidate global Polestar 3 production in Charleston helps generate efficiencies for both companies, and further reinforces the strategic role of the US plant as a key manufacturing site for Volvo Cars and Polestar. Volvo Cars' balanced and flexible global manufacturing footprint, with locations in China, Europe and the US, enables maximum efficiency optimisation across its plants.

Conversion of a portion of the Polestar loan

On 31 March, Volvo Cars announced it will convert part of its convertible loan to Polestar into equity at a 5% discount to the 30-day volume-weighted average price. An initial USD 274 m conversion, effective 31 March, 2026, increased Volvo Cars’ ownership from 9.8% to 19.9%. This will be followed by a smaller USD 65 m conversion expected in the second quarter of 2026 to maintain that stake, contingent upon Geely Sweden Holdings AB completing their announced debt-to-equity conversion. Both steps will be executed at the same conversion price. The transactions have no immediate short-term cash impact but strengthen Polestar’s balance sheet and support Volvo Cars’ operational and commercial partnership with the company.

Sustainability

During the first quarter, Volvo Cars sold 47% electrified cars, of which 24% were fully electric. Electrification is a key element of the long-term strategy, supporting the company’s ambition to achieve net zero and reduce CO₂ emissions per car by 65–75% by 2030. A key milestone was the launch of the fully electric EX60, which achieved the lowest carbon footprint for a fully electric Volvo car, on par with the much smaller EX30. This outcome is driven by the highest use of recycled materials in a

Volvo car to date at 27%, along with improved material efficiency through mega casting, which lowers vehicle weight, reduces complexity, and enhances resource efficiency. The CO₂ emissions per car for the first three months in 2026 resulted in 31% reduction vs. 2018.

In January, Volvo Cars received an upgrade in the ISS ESG Corporate Rating, with the score improving from C+ to B-.

In March, Volvo Cars updated its Green Financing Framework and maintained the highest possible external assessment, “Dark Green”, in S&P Global Ratings. As of March 2026, 98% of outstanding debt was classified as green, in accordance with the framework, or sustainability-linked. Proceeds are allocated to eligible assets and activities in accordance with the defined criteria, supporting the company’s strategic transition.

	CO ₂ per car, tonnes	CO ₂ reduction per car, %
2018	54	—
2025	37	31
2026 Jan-Mar	37	31
2030 ambition	13–19	65–75

First quarter financial summary

Sales and market development

The overall global passenger car market in the first quarter declined by 6% year-on-year, and the global premium market fell by 5%. The BEV and PHEV segments declined by 9% and 16% respectively, compared to the same period last year. The pace of electrification throughout markets remains uneven, influenced by changes in government incentives and pricing dynamics, all while competition is high.

Volvo Cars' retail sales decreased by 11% compared with the first quarter of 2025. The share of BEVs and PHEVs accounted for 47 (43)%, whereof BEV share accounted for 24 (19)% of retail sales. Wholesales decreased by 3% while production volume increased by 1% compared to the same period last year. Market conditions remained challenging, with elevated geopolitical and macroeconomic uncertainty, including escalated conflict in the Middle East.

Volvo Cars' market share per propulsion type, % ¹⁾²⁾	Jan-Feb 2026	Jan-Feb 2025
BEV	1.49	1.33
EREV	—	—
PHEV	3.53	3.73
ICE (incl. mild hybrids)	0.60	0.68
Volvo Cars' share of total market	0.90	0.97

Total industry volume share and growth by propulsion type, % ¹⁾²⁾	Jan-Feb 2026	Growth YoY
BEV	14	-9
EREV	1	-21
PHEV	6	-16
ICE (incl. mild hybrids)	79	-5
Total	100	-6

- 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 April 2026, capturing more than 85% of total world sales per February. All rights reserved.

Europe and Rest of the world

The overall passenger car market in Europe and rest of the world was in line with the same period last year, while the premium car market declined by 4%. The electrified segment continues to show momentum, with both BEV and PHEV sales increasing by 29% and 35% respectively.

In Europe alone, the overall passenger car market increased by 4% compared to the same period last year. The premium car market increased by 4% and BEV and PHEV sales increased by 26% and 32% respectively.

Volvo Cars' retail sales in Europe and rest of the world decreased by 2%. The share of BEVs and PHEVs accounted for 57 (57)% of the sales for the quarter, whereof BEV sales accounted for 32 (26)% of retail sales.

Greater China

The total Chinese passenger car market declined by 10%, whereof the BEV and PHEV (incl. EREV) segments declined by 20% and 30% respectively.

The premium segment decreased by 9% compared to the same period last year. The competitive landscape for electrified cars has intensified in recent years, partly driven by the strengthening position of domestic EV brands in the mass market, alongside a structural decline in combustion engine vehicles.

In Greater China, Volvo Cars' retail sales decreased by 17%. BEV and PHEV share combined accounted for 27 (10)% of the sales during the quarter, whereof BEV sales accounted for 2 (2)% of retail sales.

Americas

The overall passenger car market in the Americas decreased by 4% in the first quarter compared with the same period last year and the premium market declined by 9%. In the US alone, the passenger car market decreased by 6% in the first quarter, and the premium market declined by 8%. The US market remains challenging for the foreseeable future. Consumer confidence is under pressure, and the market continues to be affected by a dynamic policy environment and economic uncertainty.

In Americas, Volvo Cars' retail sales decreased by 28% compared to the same period last year. BEV and PHEV share combined accounted for 37 (38)% in the quarter, whereof BEV share alone accounted for 17 (15)% of retail sales.

Sales development per carline

SUVs, comprising Volvo Cars' XC and EX models, accounted for 88 (86)% of total sales, driven by the best-selling XC60 and XC40. Sedan and wagon models (including MPVs) accounted for 8 (8)% and 4 (6)% of total sales, respectively.

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	3 Months			12 Months	
	Jan-Mar 2026	Jan-Mar 2025	Δ%	LTM ¹⁾	2025
Retail sales, k units					
Europe and Rest of the world	95.3	97.1	-2	396.5	398.3
<i>whereof Europe</i>	79.4	82.1	-3	329.9	332.7
Greater China	28.3	34.1	-17	148.7	154.4
<i>whereof Mainland China</i>	27.4	33.3	-18	143.6	149.5
Americas	29.7	41.0	-28	145.9	157.3
<i>whereof US</i>	22.7	33.3	-32	111.0	121.6
Retail sales total	153.3	172.2	-11	691.1	710.0
Electrified cars	72.6	74.5	-3	321.4	323.3
<i>whereof BEVs</i>	36.3	32.4	12	155.7	151.8
Electrified cars share	47%	43%		47%	46%
<i>whereof BEV share</i>	24%	19%		23%	21%
Wholesales	156.3	160.9	-3	688.3	693.0
Production volume	178.2	176.0	1	696.4	694.2

	3 Months			12 Months	
	Jan-Mar 2026	Jan-Mar 2025	Δ%	LTM ¹⁾	2025
Top 10 Retail sales by market, k units					
China	27.4	33.3	-18	143.6	149.5
US	22.7	33.3	-32	111.0	121.6
UK	19.1	18.5	3	69.3	68.7
Germany	12.5	16.6	-25	55.7	59.8
Sweden	9.7	10.9	-11	46.8	47.9
Poland	6.4	5.3	22	16.5	20.0
Türkiye	4.1	2.6	62	16.8	15.2
Italy	3.8	3.7	3	15.3	13.3
Belgium	3.7	4.3	-14	16.8	15.2
Korea	3.6	3.5	4	15.0	13.3

	3 Months			12 Months	
	Jan-Mar 2026	Jan-Mar 2025	Δ%	LTM ¹⁾	2025
Retail sales by model, k units					
BEV					
EX30	18.3	17.3	5	79.6	78.6
EX40	12.2	8.9	38	47.3	44.0
EC40	2.3	3.3	-30	10.8	11.8
EX90	2.0	2.8	-27	15.6	16.3
ES90	1.4	—	—	1.8	0.3
EM90	—	0.1	-68	0.7	0.8
Non-BEV					
XC60	44.6	60.4	-26	214.9	230.7
XC40	26.6	30.3	-12	119.3	123.0
XC90	22.0	25.8	-15	99.4	103.2
XC70	6.6	—	—	20.8	14.2
S60	6.3	6.9	-9	25.6	26.3
V60	5.2	7.6	-32	24.6	27.1
S90	5.1	6.3	-19	24.5	25.7
V90	0.5	2.4	-79	6.3	8.2
Total	153.3	172.2	-11	691.1	710.0

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

1) Last Twelve Months.

Income and result

The comparative figures refer to the consolidated income statement of the first quarter 2025 if not otherwise stated.

Revenue

Volvo Cars' revenue amounted to SEK 72.6 (82.9) bn and wholesale volumes declined by 3% to 156.3 (160.9) thousand cars. The revenue decrease was primarily explained by unfavourable foreign exchange rates of SEK –6.7 bn, due to a stronger SEK compared to prior year, and sales mix and pricing of SEK –3.4 bn. These effects were partly offset by increased sales of parts and accessories as well as used cars. See full revenue bridge to the right.

Operating income (EBIT)

EBIT amounted to SEK 1.6 (1.9) bn, corresponding to a margin of 2.2 (2.3)%. The decrease was mainly attributable to negative effects from sales mix and pricing, depreciation and amortisation as well as higher US tariffs on imported goods. These effects were largely offset by the outcome of the cost and cash action plan which materialise through lower variable costs, mainly explained by material and warranty costs, as well as lower indirect costs.

The decrease in indirect costs was driven by lower fixed manufacturing expenses, selling expenses and administrative expenses, partly offset by higher non-capitalised development expenses due to a lower product development capitalisation rate. The exchange rate effects had a positive impact on EBIT compared to the prior year of SEK 0.5 bn. See full EBIT bridge to the right.

Financial net and tax

Net financial items amounted to SEK 0.3 (–0.5) bn. The increase was mainly explained by negative effects prior year due to market revaluation of investments. The effective tax rate increased to 61.6 (33.7)% mainly because of non-recognised deferred tax assets for taxable losses during the year.

Net income

Net income was SEK 0.7 (1.0) bn which represents 1.0 (1.2)% of revenue. Basic earnings per share amounted to SEK 0.54 (0.40).

Changes to Revenue, SEK bn	Jan–Mar
Revenue Q1 2025	82.9
Volume	0.7
Sales mix and pricing	–3.4
Sale of licences	–0.1
Foreign exchange rates	–6.7
Contract manufacturing	–0.3
Other ¹⁾	–0.5
Revenue Q1 2026	72.6
Change, %	–12

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

Changes to Operating income, SEK bn	Jan–Mar
EBIT Q1 2025	1.9
Volume	0.1
Sales mix and pricing	–1.9
Variable cost ²⁾	1.7
Indirect cost ³⁾	0.4
Depreciation and amortisations	–0.7
Share of income in JVs and associates	0.1
Foreign exchange rates	0.5
Other ⁴⁾	–0.5
EBIT Q1 2026	1.6
Change, %	–17

2) Changes in cost of sales not explained through other categories, mainly regard efficiencies within material and warranty costs.

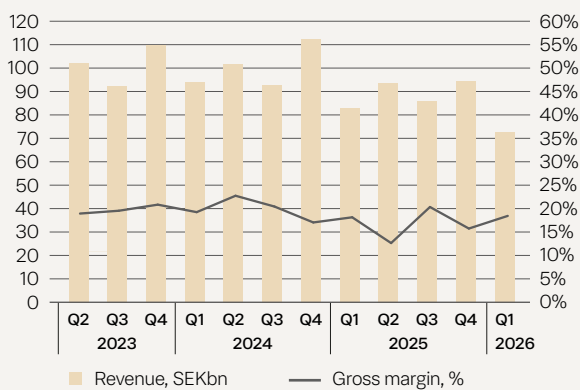
3) Selling expenses, administrative expenses, research and development expenses as well as fixed manufacturing expenses.

4) Including US tariffs on imported goods, emission credits, used cars as well as parts and accessories.

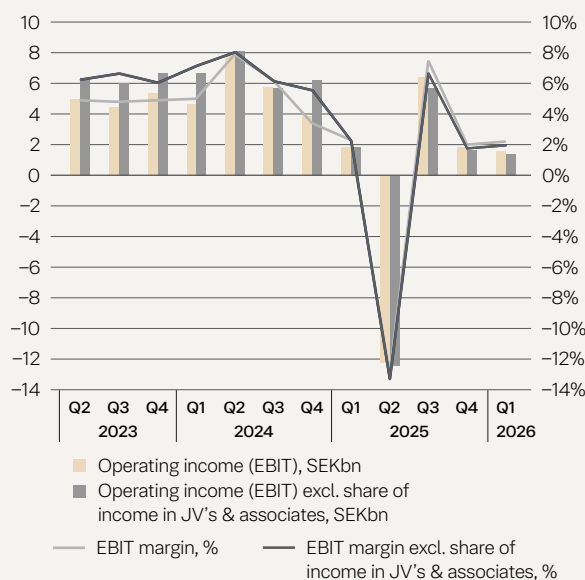


	3 Months		Δ%	Full year
	Jan-Mar 2026	Jan-Mar 2025		2025
Research and development, SEK m				
Research and development spending	-5,930	-6,533	-9.2	-26,378
Capitalised product development costs	3,287	4,273	-23.1	15,855
Amortisation of capitalised product development costs	-2,313	-1,996	15.9	-8,171
Impairment of capitalised product development costs	-2	—	—	-7,373
Research and development expenses	-4,958	-4,256	16.5	-26,067

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 2025, unless otherwise stated. The comparative figures for the cash flow items refer to the consolidated cash flow statement for the first quarter 2025 unless otherwise stated.

Total cash and cash equivalents amounted to SEK 46.4 (57.6) bn. Net cash was SEK 17.0 (26.9) bn, with the decrease primarily driven by working capital. Liquidity amounted to SEK 70.1 (80.8) bn, which includes undrawn credit facilities of SEK 23.5 (23.3) bn.

Cash flow from operating activities

Cash flow from operating activities amounted to SEK –2.6 (–2.0) bn. The amount comprises operating income of SEK 1.6 (1.9) bn, adjusted for depreciation and amortisation of SEK 6.1 (5.7) bn, along with paid income tax of SEK –0.6 (–0.2) bn.

The change in working capital amounted to SEK –8.5 (–8.1) bn. This was primarily driven by a SEK –10.9 (–7.5) bn change from an increase in inventory, mainly reflecting seasonality and an intentional ramp-up of inventories in preparation for the EX60 launch and production, as well as related investments to support anticipated demand and secure full-year sales. Additionally, changes in accounts receivable of SEK 1.4 (–3.4) bn reflecting the underlying sales development, while changes in accounts payable of SEK 1.3 (–0.1) bn were mainly driven by increased production.

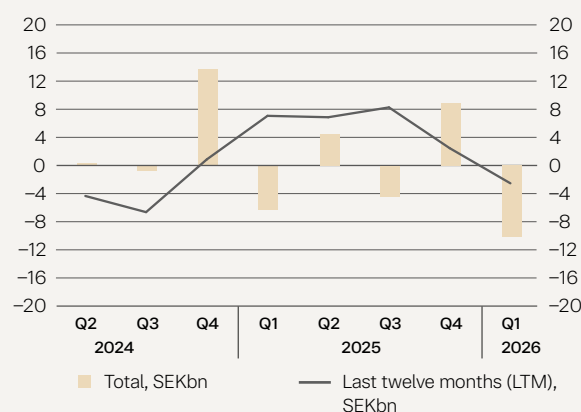
Cash flow from investing activities

Cash flow from investing activities amounted to SEK –7.4 (–4.2) bn. Cash flow from investments in tangible assets amounted to SEK –4.1 (–5.2) bn, driven mainly by the finalisation of the new manufacturing plant in Kosice, as well as investments in industrial infrastructure supporting future product development. Investments in intangible assets amounted to SEK –3.4 (–4.7) bn, reflecting ongoing investments in new and upcoming car models, as well as continued advancements in technology, including electrification and Advanced Driver Assistance Systems. The comparative period included a non-recurring positive effect of SEK 5.6 bn from the initial payment related to the Lynk & Co divestment.

Cash flow from financing activities

Cash flow from financing activities amounted to SEK –2.0 (–1.2) bn. The change was primarily due to a scheduled bond repayment of SEK –1.5 (–5.7) bn, along with repayments of interest-bearing liabilities amounting to SEK –0.5 (–0.5) bn.

Cash flow from Operating and Investing activities



Cash flow before interest and tax, SEK bn

Jan-Mar

EBIT Q1 2026	1.6
Depreciation and amortisations	6.1
Change in working capital	-8.5
<i>Inventories</i>	-10.9
<i>Accounts receivable</i>	1.4
<i>Accounts payable</i>	1.3
<i>Other working capital</i>	-0.3
Net investments in tangible and intangible assets	-7.4
Other	-1.3
Cash flow before interest and tax Q1 2026	-9.5
Adjustments (IAC)	—
Adjusted cash flow before interest and tax Q1 2026	-9.5

Equity

Total equity increased to SEK 150.1 (148.4) bn, resulting in an equity ratio of 39.6 (39.8)%. The change is mainly attributable to net income amounting to SEK 0.7 bn, as well as a positive effect on other comprehensive income of SEK 1 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 0.9 bn (net of tax).

Remeasurements of provisions for post-employment benefits had an effect of SEK –0.1 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 0.2 bn (net of tax). The change in value of cash flow hedges is mainly due to positive effects from increased prices for raw materials and depreciated SEK compared to most of the major currencies.

Other Information

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

During the first three months 2026, Volvo Car Group employed 39.8 (43.5) thousand full-time employees (FTEs) and 1.8 (3.0) thousand agency personnel. The main driver behind the decrease is the redundancies that were communicated during 2025, as part of the cost and cash action programme.

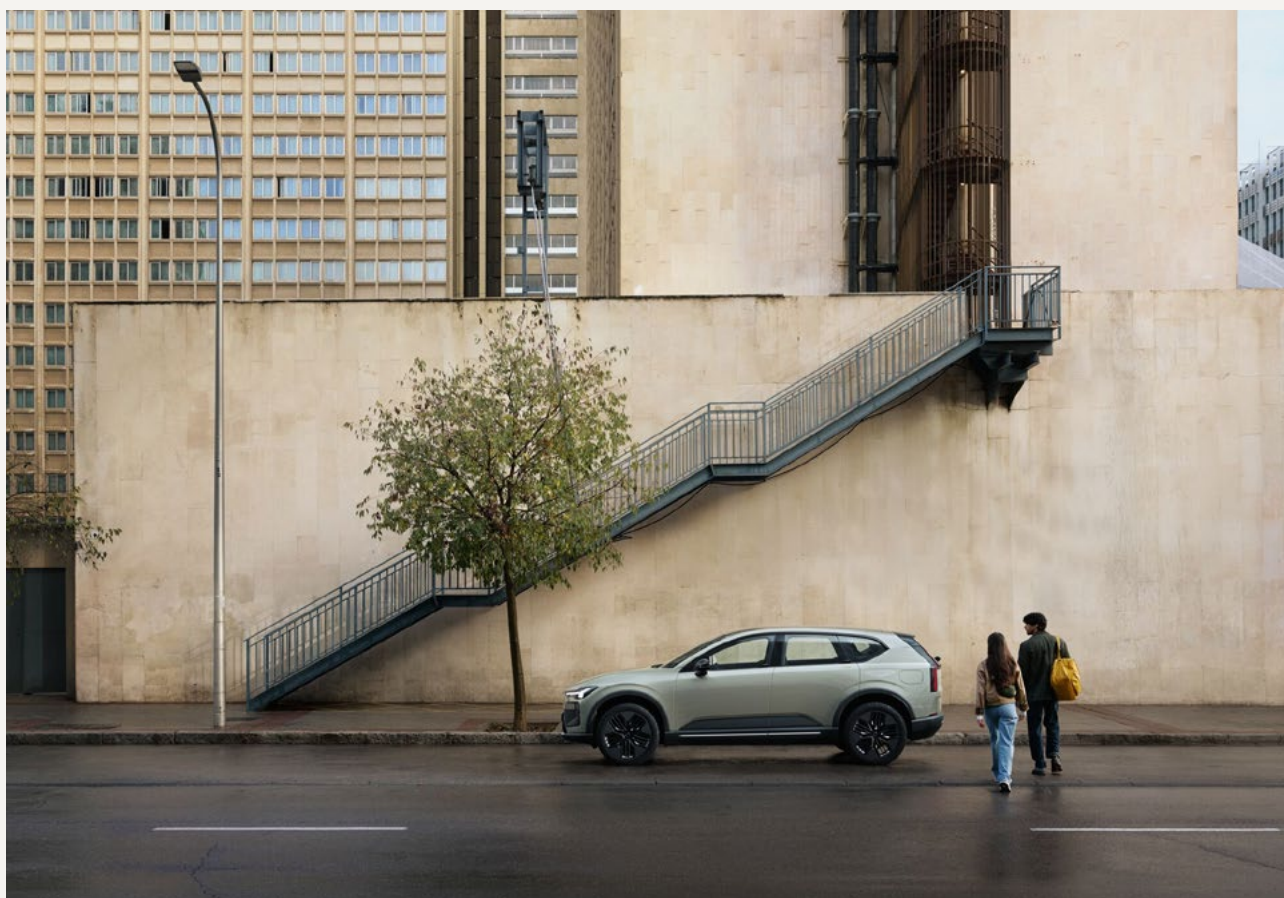
Risks and uncertainty factors

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 2025 page 36. 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.

Escalating geopolitical tensions in the Middle East since February 2026 have further increased global market volatility and supply disruption risks. Prolonged or expanded conflict could adversely affect economic conditions, energy supply chains and the overall operating environment.



V O L V O



Consolidated Income Statements

SEK m	Note	Jan-Mar 2026	Jan-Mar 2025	Full year 2025
Revenue	2	72,616	82,948	357,263
Cost of sales		-59,170	-67,855	-297,042 ¹⁾
Gross income		13,445	15,093	60,221
Research and development expenses		-4,958	-4,256	-26,067 ¹⁾
Selling expenses		-4,952	-5,659	-23,213
Administrative expenses		-2,312	-2,542	-10,476
Other operating income and expenses		222	-762	-816 ¹⁾
Share of income in joint ventures and associates		170	65	654
Operating income		1,615	1,939	303
Interest income and similar credits		434	463	1,929
Interest expenses and similar charges		-331	-232	-1,251
Other financial income and expenses	3	163	-699	-1,647
Income before tax	4	1,881	1,471	-666
Income tax		-1,158	-496	-2,302
Net income		723	975	-2,968
Net income attributable to				
Owners of the parent company		1,610	1,204	174
Non-controlling interests		-887	-229	-3,142
Basic earnings per share, SEK	5	0.54	0.40	0.06
Diluted earnings per share, SEK	5	0.54	0.40	0.06

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

Consolidated Comprehensive Income

SEK m	Jan-Mar 2026	Jan-Mar 2025	Full year 2025
Net income for the period	723	975	-2,968
Other comprehensive income			
<i>Items that will not be reclassified subsequently to income statement:</i>			
Remeasurements of provisions for post-employment benefits	-104	848	2,403
Tax on items that will not be reclassified to income statement	31	-176	-496
<i>Items that have been or may be reclassified subsequently to income statement:</i>			
Translation difference on foreign operations	962	-3,019	-4,646
Translation difference of hedge instruments of net investments in foreign operations	-136	606	749
Change in fair value of cash flow hedge related to currency and commodity price risks	108	4,815	8,591
Tax on items that have been or may be reclassified to income statement	119	-1,117	-1,924
Other comprehensive income, net of income tax	980	1,957	4,677
Total comprehensive income for the period	1,703	2,932	1,709
Total comprehensive income attributable to			
Owners of the parent company	2,579	3,550	5,397
Non-controlling interests	-876	-618	-3,688
	1,703	2,932	1,709

Consolidated Balance Sheets

SEK m	Note	31 Mar 2026	31 Dec 2025
ASSETS			
Non-current assets			
Intangible assets		83,764	82,965
Tangible assets		103,610	99,391
Investments in joint ventures and associates	4	9,799	7,003
Other long-term securities holdings	1,3	8,579	10,454
Deferred tax assets		8,038	8,363
Other non-current interest-bearing receivables		1,188	1,235
Non-current derivative assets	3	1,195	1,743
Other non-current assets		4,391	4,217
Total non-current assets		220,563	215,371
Current assets			
Inventories		71,074	59,024
Accounts receivable	4	20,050	21,241
Current tax assets		1,670	1,284
Current derivative assets	3	4,683	4,923
Other current assets	4	14,635	13,764
Marketable securities	3	167	1
Cash and cash equivalents	3	46,396	57,564
Total current assets		158,675	157,801
TOTAL ASSETS		379,239	373,172
EQUITY & LIABILITIES			
Equity			
Equity attributable to owners of the parent company		149,673	147,079
Non-controlling interests		423	1,299
Total equity		150,096	148,378
Non-current liabilities			
Provisions for post-employment benefits		5,907	5,853
Deferred tax liabilities		9,980	9,864
Other non-current provisions		8,307	8,528
Liabilities to credit institutions	3	6,798	6,723
Non-current bonds	3	21,726	21,645
Non-current contract liabilities to customers		8,750	8,605
Other non-current interest-bearing liabilities		5,179	5,355
Non-current derivative liabilities	3	353	253
Other non-current liabilities		6,758	6,714
Total non-current liabilities		73,758	73,540
Current liabilities			
Provisions, current		7,713	8,356
Liabilities to credit institutions	3	1,026	922
Current bonds	3	—	1,500
Current contract liabilities to customers		31,310	31,264
Accounts payable	3,4	59,979	57,768
Current tax liabilities		1,474	1,322
Other current interest-bearing liabilities		1,570	1,570
Current derivative liabilities	3	556	485
Other current liabilities	4	51,758	48,067
Total current liabilities		155,386	151,254
TOTAL EQUITY & LIABILITIES		379,239	373,172

Consolidated Statement of Changes in Equity

SEK m	31 Mar 2026	31 Dec 2025
Opening balance	148,378	142,199
Net income for the period	723	-2,968
Other comprehensive income, net of income tax	980	4,677
Total comprehensive income	1,703	1,709
Transactions with owners		
Divestment of non-controlling interest ¹⁾	—	-40
Divestment of joint venture under common control ²⁾	—	4,656
Distribution of shares	—	3
Acquisition of treasury shares	—	-219
Issue of treasury shares	1	126
Share-based payments	14	-56
Transactions with owners	15	4,470
Closing balance	150,096	148,378
Attributable to		
Owners of the parent company	149,673	147,079
Non-controlling interests	423	1,299
Closing balance	150,096	148,378

1) Refers to the divestment of non-controlling interest in NOVO Energy AB of SEK -40 m.

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

Consolidated Statement of Cash Flows

SEK m	Jan-Mar 2026	Jan-Mar 2025	Full year 2025
OPERATING ACTIVITIES			
Operating income	1,615	1,939	303
Depreciation and amortisation of non-current assets	6,100	5,739	23,945
Dividends received from joint ventures and associates	8	6	205
Interest and similar items received	434	463	1,929
Interest and similar items paid	-322	-266	-1,538
Other financial items	-255	-1,059	-1,963
Income tax paid	-606	-225	-3,724
Adjustments for other non-cash items	-1,097	-532	6,281
	5,877	6,065	25,438
Movements in working capital			
Change in inventories	-10,879	-7,473	2,353
Change in accounts receivable	1,386	-3,387	-84
Change in accounts payable	1,266	-105	7,205
Change in provisions	-1,313	1,228	-1,867
Change in contract liabilities to customers	480	-3,199	644
Change in other working capital	600	4,854	936
Cash flow from movements in working capital	-8,460	-8,082	9,187
Cash flow from operating activities	-2,583	-2,017	34,625
INVESTING ACTIVITIES			
Investments in shares and participations	—	-33	280
Divestment of shares and participations	—	5,637	7,716
Loans to affiliated companies	—	—	-2,727
Repayment of loans from affiliated companies	—	—	1,688
Investments in intangible assets	-3,391	-4,728	-17,252
Investments in tangible assets	-4,109	-5,223	-22,825
Disposal of tangible assets	134	109	872
Other	-2	—	72
Cash flow from investing activities	-7,368	-4,238	-32,176
Cash flow from operating and investing activities	-9,951	-6,255	2,449
FINANCING ACTIVITIES			
Proceeds from credit institutions	434	4,632	4,947
Proceeds from bond issuance	—	—	5,476
Acquisition of treasury shares	—	—	-219
Repayment of bond	-1,500	-5,732	-5,732
Repayment of liabilities to credit institutions	-400	-60	-1,631
Repayment of interest-bearing liabilities	-505	-547	-2,108
Investments in/maturities of marketable securities	-167	—	-1
Other	153	546	996
Cash flow from financing activities	-1,985	-1,161	1,728
Cash flow for the period	-11,936	-7,416	4,177
Cash and cash equivalents at beginning of period	57,564	56,373	56,373
Exchange difference on cash and cash equivalents	768	-1,776	-2,986
Cash and cash equivalents at end of period	46,396	47,181	57,564

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 IFRS Accounting 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 2025 (available at investors.volvocars.com).

The International Accounting Standards Board (IASB) has published amendments to standards effective on or after 1 January 2026. These amendments have not had a material impact on the financial statements.

Material accounting policies & critical accounting estimates and judgements

Conversion of a portion of the Polestar loan into shares

On 31 March 2026, Volvo Car Group converted USD 274 m in principal of the outstanding convertible loan receivable from Polestar into shares in Polestar Automotive Holding UK PLC. The conversion price was based on a 5% discount to the 30-day volume-weighted average price in Polestar shares calculated on 24 March 2026. The shares received from the conversion were valued at cost and added to the existing investment in Polestar that is accounted for using equity method. There were no material effects in the income statement as a result of the conversion. After the conversion Volvo Car Group holds a 19.9% ownership in Polestar which equates to 18.7% of the voting rights. At year end 2025, the ownership was 13.7% which equated to 12.5% of the voting rights.

Volvo Car Group has an option to make a second conversion at the same price as the conversion on 31 March 2026. Volvo Car Group expects to exercise this option in order to maintain 19.9% ownership, contingent upon Geely Sweden Holdings AB completing their announced debt-to-equity conversion. This option is limited to the lesser of 19.9% total ownership for Volvo Cars or USD 100 m of loan principal and expires on 30 June 2026.

Note 2 – Revenue

Revenue allocated to countries SEK m	Jan–Mar 2026	Jan–Mar 2025	Full year 2025
US	13,008	15,498	65,019
Sweden	9,783	9,054	46,757
China	9,444	13,632	55,661
United Kingdom	7,869	8,413	34,627
Germany	5,321	7,451	28,569
Poland	3,560	3,025	8,514
Norway	2,100	1,985	9,362
Netherlands	1,723	3,106	11,426
Türkiye	1,589	1,253	7,848
Spain	1,553	1,379	6,197
Other countries	16,666	18,152	83,283
Total	72,616	82,948	357,263

The geographical distribution of revenue is from 2026 based on the selling legal entity, comparative figures have been adjusted to reflect this.

Revenue allocated to category SEK m	Jan–Mar 2026	Jan–Mar 2025	Full year 2025
Sales of new cars	50,873	60,008	250,468
Sales of used cars	6,424	6,878	32,509
Sales of parts and accessories	9,784	9,774	38,835
Revenue from subscription, leasing and rental business	1,070	1,459	5,675
Sales of licences and royalties	76	154	1,936
Contract manufacturing	1,531	1,999	10,249
Emission credits	368	15	3,501
Other revenue ¹⁾	2,490	2,661	14,090
Total	72,616	82,948	357,263

1) Includes one-time sale of subscription car portfolios amounting to SEK — (1.1) bn.

Timing of revenue recognition SEK m	Jan–Mar 2026	Jan–Mar 2025	Full year 2025
At the point of delivery	70,424	80,047	345,635
Over the contract term	2,192	2,901	11,628
Total	72,616	82,948	357,263

Note 3 – Financial instruments

Valuation principles and classification of financial instruments, as described in the Volvo Car Group's Annual Report 2025, 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 Mar 2026		31 Dec 2025	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets carried at amortised cost					
Accounts receivable	—	20,050	20,050	21,241	21,241
Other financial receivables, non-current and current ¹⁾	—	6,784	6,736	5,022	5,030
Cash and cash equivalents	—	46,217	46,231	57,564	57,578
		73,051	73,017	83,827	83,849
Financial assets carried at fair value through profit or loss					
Other long-term securities holdings		8,579	8,579	10,454	10,454
<i>of which convertible loan²⁾</i>	2	7,159	7,159	9,177	9,177
<i>of which equity instruments</i>	3	1,420	1,420	1,277	1,277
Non-current and current derivative assets		5,879	5,879	6,666	6,666
<i>of which currency derivatives – designated hedging instruments</i>	2	3,499	3,499	3,447	3,447
<i>of which commodity derivatives – designated hedging instruments</i>	2	2,225	2,225	2,920	2,920
<i>of which interest rate swap – designated hedging instruments</i>	2	86	86	168	168
<i>of which currency derivatives – not designated hedging instruments</i>	2	69	69	131	131
		14,458	14,458	17,120	17,120
Financial assets carried at fair value through other comprehensive income					
Marketable securities	2	167	166	1	1
Cash and cash equivalents	2	179	178	—	—
		346	344	1	1
Financial liabilities carried at amortised cost					
Accounts payable	—	59,979	59,979	57,768	57,768
<i>of which payables under supplier financing programmes</i>	—	5,732	5,732	4,434	4,434
<i>of which suppliers received payment from financial institution</i>	—	4,340	—	4,033	—
Non-current and current bonds and liabilities to credit institutions ³⁾	—	29,550	29,954	30,790	31,797
Other financial liabilities, non-current and current ⁴⁾	—	25,259	25,259	22,147	22,147
<i>of which payables under supplier financing programmes</i>	—	653	653	712	712
<i>of which suppliers received payment from financial institution</i>	—	653	—	712	—
		114,788	115,192	110,705	111,712
Financial liabilities carried at fair value through profit or loss					
Non-current and current derivative liabilities		909	909	738	738
<i>of which currency derivatives – designated hedging instruments</i>	2	300	300	269	269
<i>of which commodity derivatives – designated hedging instruments</i>	2	181	181	249	249
<i>of which interest rate swap derivatives – designated hedging instruments</i>	2	121	121	57	57
<i>of which currency derivatives – not designated hedging instruments</i>	2	215	215	57	57
<i>of which interest rate swap derivatives – not designated hedging instruments</i>	2	92	92	106	106

1) Includes items presented as Other non-current and current assets on the balance sheet, amounted to SEK 5,596 (3,787) m.

2) The conversion option embedded in the convertible loan receivable from Polestar Group has been assessed as immaterial.

3) The carrying amount of the bonds includes a fair value adjustment amounting to SEK -72 (95) 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 19,768 (18,480) m. Includes also items presented as Other non-current and current liabilities in the balance sheet, amounting to SEK 5,474 (3,613) m. Excluding the lease liability which is presented as Other non-current and current liabilities in the balance sheet amounting to SEK 6,733 (6,871) 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 fulfilment, 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 Mar 2026	31 Dec 2025
	Equity instruments	Equity instruments
Opening balance	1,277	1,473
Investment	—	50
Impairment	—	-2
Changes in fair value	116	-52
<i>of which recognised in Other financial income and expenses</i>	116	-52
Exchange rate differences	27	-192
Closing balance	1,420	1,277

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 30 March, it was announced that Volvo Cars and Geely Auto have signed a memorandum of understanding for a new commercial partnership with Lynk & Co in Europe, subject to final agreements. The partnership states Volvo Cars becoming the exclusive importer of Lynk & Co cars in Europe and being responsible for Lynk & Co's commercial and brand operations in Europe.
- On 31 March, Volvo Cars and Polestar entered into a new agreement concerning the future production of Polestar 3 cars and the resolution of certain commercial matters between the companies. Under the agreement, future Polestar 3 production will be consolidated at Volvo Cars' factory in the US, and certain pricing and cost-allocation arrangements have been amended.

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 2025.

Sales of goods, services and other

SEK m	Jan–Mar 2026	Jan–Mar 2025	Full year 2025
Related companies ¹⁾²⁾	2,017	2,909	15,792
<i>of which Polestar Automotive Holding UK Group</i>	1,883	2,485	13,730
Joint ventures and associated companies	2,784	2,344	13,121
<i>of which Volvo Car Financial Services UK Ltd</i>	2,325	1,935	11,276

Purchases of goods, services and other

SEK m	Jan-Mar 2026	Jan-Mar 2025	Full year 2025
Related companies ¹⁾²⁾	-9,468	-8,146	-37,095
of which Zhangjiakou Geely New Energy Automobile Co., Ltd	-3,246	—	-9,089
of which Aurobay Sweden AB	-2,907	-3,493	-11,561
of which Zhangjiakou Aurobay Powertrain Manufacturing Co., Ltd	-502	-778	-3,110
of which Geely Changxing Automatic Transmission Co., Ltd	-409	-505	-1,745
of which Viridi E-Mobility Technology (Ningbo) Co., Ltd	-330	-281	-3,360
of which Zhejiang Geely Automobile Co., Ltd	-7	-2,178	-3,270
Joint ventures and associated companies	-303	-263	-1,188

SEK m	Receivables ³⁾		Payables ³⁾	
	31 Mar 2026	31 Dec 2025	31 Mar 2026	31 Dec 2025
Related companies ¹⁾²⁾	15,298	21,091	13,357	12,344
Joint ventures and associated companies	1,669	1,390	72	86

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 8,340 (10,800) m. Non-current part of payables amounts to SEK 1 (1) m.

Note 5 – Earnings per share

Basic earnings per share, SEK m	Jan-Mar 2026	Jan-Mar 2025	Full year 2025
Net income attributable to owners of the parent company	1,610	1,204	174
Net income attributable to owners of ordinary shares in the parent company	1,610	1,204	174
Weighted average number of ordinary shares outstanding, basic ¹⁾	2,964,675,761	2,974,883,386	2,968,505,485
Basic earnings per share, SEK	0.54	0.40	0.06
Diluted earnings per share, SEK m	Jan-Mar 2026	Jan-Mar 2025	Full year 2025
Net income in basic earnings per share	1,610	1,204	174
Net income in diluted earnings per share	1,610	1,204	174
Weighted average number of ordinary shares outstanding, basic ¹⁾	2,964,675,761	2,974,883,386	2,968,505,485
Dilutive effect for share-based payment programmes	2,883,627	1,664,488	2,431,998
Weighted average number of ordinary shares outstanding, diluted	2,967,559,388	2,976,547,874	2,970,937,483
Diluted earnings per share, SEK	0.54	0.40	0.06

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.

Parent Company Income Statements

SEK m	Jan-Mar 2026	Jan-Mar 2025	Full year 2025
Administrative expenses	-8	-8	-38
Operating loss	-8	-8	-38
Interest income and similar credits	359	339	1,421
Interest expenses and similar charges	-255	-227	-1,006
Other financial income and expenses ¹⁾	-7	-7	3,172
Income before tax	89	97	3,549
Income tax	-18	-31	806
Net income	71	66	4,355

1) Dividend of SEK 3,200 m was received from its subsidiary in December 2025.

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

Parent Company Balance Sheets

SEK m	31 Mar 2026	31 Dec 2025
ASSETS		
Non-current assets ¹⁾	50,060	49,798
Current assets	20,945	22,147
TOTAL ASSETS	71,005	71,945
EQUITY & LIABILITIES		
Equity		
Restricted equity	61	61
Non-restricted equity	41,178	41,092
Total equity	41,239	41,153
Non-current liabilities	24,383	24,117
Current liabilities	5,383	6,675
Total liabilities	29,766	30,792
TOTAL EQUITY & LIABILITIES	71,005	71,945

1) Group contribution of SEK 4,262 m has been given to its subsidiary in December 2025.

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. In addition, approximately 0.22% of the shares are owned by Geely International Hong Kong Limited, also ultimately owned by Zhejiang Geely Holding Group Ltd., taking that company's total ownership percentage in Volvo Cars to 78.87%.

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 and Rest of the World

Europe is defined as EU (European Union) + EFTA (European Free Trade Association) + UK (United Kingdom). Rest of the World are all markets that are not included in Europe, Americas or Greater China.

Americas

Americas is defined as North America, Central America, South America and the Caribbean.

Greater China

Greater China is defined as Mainland China, Hong Kong, Macau and Taiwan.

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 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.

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	Jan-Mar 2026	Jan-Mar 2025	Full year 2025
Revenue	72,616	82,948	357,263
Cost of sales	-59,170	-67,855	-297,042
Research and development expenses	-4,958	-4,256	-26,067
Operating income (EBIT)	1,615	1,939	303
EBIT excl. share of income in JVs & associates	1,446	1,874	-351
EBIT excl. Items affecting comparability	1,615	1,939	12,556
Net income	723	975	-2,968
EBITDA	7,715	7,678	35,679
Gross margin, %	18.5	18.2	16.9
Gross margin, excl. Items affecting comparability, %	18.5	18.2	18.0
EBIT margin, %	2.2	2.3	0.1
EBIT margin excl. share of income in JVs & associates, %	2.0	2.3	-0.1
EBIT margin excl. Items affecting comparability, %	2.2	2.3	3.5
EBITDA margin, %	10.6	9.3	10.0

Gothenburg, 28 April 2026

Håkan Samuelsson

President and CEO

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

<h2>Contact</h2>	<h2>About this report</h2>
<p>Analysts and investors Erik Kronqvist Head of Investor Relations +46 31-793 94 00 investors@volvocars.com</p> <p>Journalists and media Volvo Cars Media Relations +46 31-59 65 25 media@volvocars.com</p>	<p>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.</p> <p>Language In the event of inconsistency or discrepancy between the English and the Swedish version of this publication, the Swedish version shall prevail.</p> <p>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.</p>
<h2>Financial Calendar & Press Conference</h2>	
<p>Webcast and press conference At 08:00 CEST on 29 April, President & CEO Håkan Samuelsson, CFO Fredrik Hansson and Chief Commercial Officer Erik Severinson will host a press conference.</p> <p>Link to webcast livestream.</p> <p>To call in, participants need to register and will then receive the dial-in details and individual PIN. Link to register.</p> <p>Upcoming investor events 17 July 2026: Q2 2026 report 23 October 2026: Q3 2026 report 4 February 2027: Q4 2026 report</p>	

V O L V O

