Volvo Car Group

INTERIM REPORT SECOND QUARTER 2026

April–June 2026

- Retail sales decreased by 6% to 171.5 (181.6) thousand cars.
- Revenue amounted to SEK 77.7 (93.5) bn. The decrease was primarily explained by the underlying wholesale volume, sales mix and pricing, a prior year one-time sale of subscription car portfolios of SEK 3.3 bn as well as foreign exchange rate effects.
- EBIT was SEK 0.8 (–10.0) bn. EBIT excl. items affecting comparability was SEK 0.8 (2.9) bn. The decrease was mainly attributable to sales mix and pricing, lower wholesale volume as well as lower revenue from emission credits, partly offset by lower variable and indirect costs.
- EBIT margin was 1.1 (–10.6)%. EBIT margin excl. items affecting comparability was 1.1 (3.1)%.
- Basic earnings per share was SEK 0.42 (–2.53).
- Operating and investing cash flow was SEK –5.2 (4.2) bn, largely driven by the planned inventory build-up at the Torslanda plant following the start of EX60 production and ramp-up to secure full-year sales, as well as investments made to support anticipated demand.
- On 22 April, Volvo Cars commenced production of the EX60 at its Torslanda plant, marking an important milestone in the rollout of the next-generation product portfolio.
- On 26 May, Volvo Cars was granted a specific authorisation from the US Office of Information and Communications Technology and Services under the Connected Vehicles rule. This authorisation enables Volvo Cars to continue its growth plan in the US.
- Volvo Cars started rolling out Google Gemini, Google's next-generation AI assistant, to new car models as well as approximately 2.5 million connected cars already in use.

Updates after the period

- Markus Schäfer joined as new Board member as of 1 July.
- On 15 July, it was communicated that Volvo Cars signed a Memorandum of Understanding with the Belgian federal government and the regional government of Flanders for measures that will strengthen the long-term competitiveness of Volvo Cars' manufacturing plant in Ghent.

Forward looking

- Volvo Cars expects significantly stronger sales during the second half of the year as compared to the first half. Volvo Cars also expect a strong positive free cash flow in the late second half of the year, ending the full year approximately at break even.

SEK bn unless otherwise stated	3 Months **Apr–Jun 2026**	 Apr–Jun 2025	 Δ[3]	6 Months **Jan–Jun 2026**	 Jan–Jun 2025	 Δ[3]	12 Months LTM[4]	 Full year 2025
Retail sales, k units[1]	171.5	181.6	–6	324.8	353.8	–8	681.0	710.0
Revenue	77.7	93.5	–17	150.3	176.4	–15	331.1	357.3
Research and development expenses	–5.4	–12.9	–58	–10.3	–17.2	–40	–19.2	–26.1
Operating income (EBIT)	0.8	–10.0	n/m	2.4	–8.0	n/m	10.8	0.3
EBIT excl. items affecting comparability[2]	0.8	2.9	–72	2.4	4.9	–50	10.1	12.5
EBIT excl. share of income in JVs and associates[2]	0.7	–10.2	n/m	2.1	–8.3	n/m	10.0	–0.4
EBITDA[2]	7.1	7.6	–6	14.8	15.4	–4	35.1	35.7
Net income	0.4	–8.1	n/m	1.1	–7.1	n/m	5.3	–3.0
Basic earnings per share, SEK	0.42	–2.53	n/m	0.97	–2.12	n/m	3.15	0.06
Cash flow from operating activities	3.1	18.0	–83	0.5	16.0	–97	19.1	34.6
Cash flow from investing activities	–8.3	–13.8	–40	–15.7	–18.1	–13	–29.8	–32.2
Gross margin, %[2]	16.8	13.5	3.4	17.7	15.7	2.0	17.8	16.9
Gross margin excl. items affecting comparability, %[2]	16.8	17.7	–0.9	17.7	17.9	–0.2	17.8	18.0
EBIT margin, %[2]	1.1	–10.6	11.7	1.6	–4.5	6.2	3.2	0.1
EBIT margin excl. items affecting comparability, %[2]	1.1	3.1	–2.1	1.6	2.7	–1.1	3.0	3.5
EBIT margin excl. share of income in JVs and associates, %[2]	0.8	–10.9	11.7	1.4	–4.7	6.1	3.0	–0.1
EBITDA margin, %[2]	9.1	8.1	1.0	9.8	8.6	1.2	10.6	10.0

1) Non-financial operating metric.
2) Non-IFRS measure, see Alternative performance measures on page 28.
3) Changes are shown as relative percentages for income statement and cash flow items, and as percentage-point changes for margin measures. Percentage changes are not shown when the comparative figure is negative, close to zero or where the sign changes, as such changes are not meaningful (n/m).
4) Last Twelve Months.

Executing in a very challenging operating environment

Dear shareholders,
The second quarter ends a turbulent first half of 2026. The China market weakened for us as well as for the whole industry, and global uncertainty resulting from the Middle East conflict increased. In this very challenging external environment, we made progress on our strategic actions, including delivering on our strong cost ambitions. This gives us the momentum and confidence that the second half of the year will improve compared to the first six months.

After several months of sales decline, the US is showing signs of recovery with two consecutive months of growth in May and June. We expect this recovery to continue in the second half of the year as the negative effects from the incentive withdrawal lessens.

In Europe, our biggest market, our performance was resilient despite increased competition and a weaker pricing environment. We were encouraged by a continued strong performance of our fully electric cars (BEVs), with a 23 per cent increase versus last year, including Türkiye. We also saw a good demand for EX30, now fully produced in Ghent, as well as an all-time high order pace for EX90.

We have started production of the EX60 in Torslanda and made the first customer deliveries earlier this month. Our focus now is to gradually ramp up production to be able to meet the strong customer demand.

Google Gemini, which was introduced as a world-first in a Volvo, is now being rolled out in millions of cars, including as an over-the-air update for cars delivered as far back as 2020. We have also introduced our new Care by Volvo offer, which is a new, convenient and a hassle-free way of having your own car with a fixed monthly payment. Care by Volvo is initially available in Sweden for the EX60.

I am also pleased on how we continue to make strong progress on our cost and cash actions. Despite increasing raw material prices, we have already delivered the targeted full-year SEK 5 bn in indirect and variable cost savings this year six months ahead of time. This is on top of SEK 8 bn in savings we delivered in 2025. This has been possible because we made real structural changes in the company, including a reduced headcount of approximately 3,000 positions versus H1 2025.

We have also announced a new Memorandum of Understanding with the Belgian and Flemish governments to make our Ghent plant more competitive. This will allow us to secure increased utilisation of the facility, including possible contract manufacturing of other brands.

In conclusion, we made clear progress in areas we directly control, despite a worsening external environment.

Our volumes for the second quarter declined 5.6 per cent compared to last year but improved sequentially from the first quarter of 2026. Europe remained steady, while the US slightly improved and China was clearly down.

Revenues came in at SEK 77.7 bn, down from SEK 93.5 bn last year. Comparability was affected by approximately SEK 4.0 bn in positive one-off effects in Q2 2025. Our Q2 EBIT came in at SEK 0.8 bn, with a profit margin of 1.1 per cent, because of lower volumes and sales mix and pricing. Free cash flow for the quarter ended up at an expected SEK –5 billion, mainly because of inventory build-up related to the production start of EX60.

“In this very challenging external environment, we made progress on our strategic actions.

Looking ahead

We expect significantly stronger sales during the second half of the year as compared to the first half. This will be on the back of growth in Europe, continued recovery in the US and a challenging China.

We expect a strong positive free cash flow in the late second half of the year, ending the year approximately at break even.

After summer, we will reveal two exciting new models that will further strengthen our electrified offer.

In September, during our Strategy Update, we will share the next phase in our strategic journey towards becoming a leading electric car company, including the most ambitious product plan in our history and our approach to regionalisation.

Håkan Samuelsson
President and CEO

Quarterly highlights

Start of production of EX60

On 22 April, Volvo Cars started production of the new, fully electric EX60. The mid-size SUV is developed and built in Sweden at Volvo Cars' manufacturing plant in Torslanda, and is the first car built on the new SPA3 electric architecture. It delivers class-leading range of up to 810 km, charges from 10–80% in 16 minutes, and is priced in line with the company's best-selling XC60 plug-in hybrid.

Volvo Cars launched Google Gemini in its cars

On 30 April, Volvo Cars communicated that it is the first major car maker to roll out Google Gemini, Google's next-generation AI assistant, to its cars. Gemini enables more natural, conversational interactions for navigation, messaging, trip planning and media control. The feature will be available via over-the-air updates to Volvo models with Google built in dating back to 2020, bringing new software experiences to millions of cars already on the road and reflecting Volvo Cars' ongoing partnership with Google and commitment to delivering advanced software experiences to customers.

Volvo Cars received a specific authorisation in the United States under the ICTS Connected Vehicles Rule

On 26 May, it was announced that Volvo Cars has been granted a specific authorisation from the Office of Information and Communications Technology and Services under the "Securing the Information and Communications Technology and Services Supply Chain: Connected Vehicles" rule in the United States.

Issuance of this specific authorisation follows constructive discussions with the US Department of Commerce and other US officials regarding Volvo Cars' governance, technology and data security.

With this specific authorisation, Volvo Cars can continue its growth plans in the US.

Sustainability

During the second quarter, Volvo Cars continued to advance its sustainability ambitions through progress in electrification, circularity and sustainable finance. 52% of sales in the quarter were electrified cars, reinforcing the company's long-term ambition of achieving 90–100% electrified sales by 2030. The CO_2 emissions per car for the first six months in 2026 resulted in 32% reduction vs. 2018.

At London Climate Action Week in June, Volvo Cars co-signed a global open statement with more than 100 companies calling on governments to accelerate electrification through clear policy, grid investment and market reforms to strengthen energy security and competitiveness.

In addition, Volvo Cars was recognised by TIME magazine as one of the World's Most Sustainable Companies for the third consecutive year, ranking among the top 100 companies globally and first among car manufacturers.

	CO_2 per car, tonnes	CO_2 reduction per car, %
2018	54	—
2025	37	31
2026 Jan-Jun	36	32
2030 ambition	13–19	65–75

Second quarter financial summary

Sales and market development

Market data presented below is based on the latest available industry information at the time of publication. For certain markets, figures reflect April–May data and estimates for June.

Both the overall global passenger car market and the global premium market declined by 4% year-on-year in the second quarter. The BEV segment increased by 12% while the PHEV segment decreased by 12%, compared to the same period last year.

The overall global passenger car market in the second quarter remained volatile, with continued regional differences in demand and electrification trends. Europe showed resilience, supported by growing demand for electrified vehicles, and the US showed signs of recovery, while China remained very challenging. Consumer confidence in several markets continued to be affected by macroeconomic uncertainty, geopolitical tensions and changing regulatory conditions.

Volvo Cars' retail sales decreased by 6% compared with the second quarter of 2025, mainly reflecting lower volumes in China. Electrified cars (BEV and PHEV) accounted for 52 (44)% of retail sales during the quarter, whereof BEVs represented 25 (21)% of retail sales. Wholesales decreased by 6% and production volumes decreased by 2% compared to the same period last year.

Volvo Cars' market share per propulsion type, %[1) 2)]	Jan–May 2026	Jan–May 2025
BEV	1.29	1.25
EREV	—	—
PHEV	3.65	3.56
ICE (incl. mild hybrids)	0.69	0.77
Volvo Cars' share of total market	0.98	1.03

Total industry volume share and growth by propulsion type, %[1) 2)]	Jan–May 2026	Growth YoY
BEV	18	6
EREV	1	–31
PHEV	6	–15
ICE (incl. mild hybrids)	74	–6
Total	**100**	**–5**

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 Mobility Global Industry Performance in July 2026, capturing more than 90% of total world sales per May. All rights reserved.

Europe and Rest of the world

Both the overall passenger car market and the premium market in Europe and rest of the world showed an increase of 5% compared to the same quarter last year. Overall, BEV adoption continued to increase, although at a varying pace across individual markets. BEV and PHEV sales increased by 42% and 19% respectively compared to the same period last year.

In Europe alone, the overall passenger car market increased by 7% while the premium car market increased by 6% compared to the same period last year. BEV and PHEV sales increased by 37% and 17% respectively.

Volvo Cars' retail sales in Europe and rest of the world increased by 2% compared with the second quarter of 2025. Electrified cars accounted for 62 (58)% of sales during the quarter, whereof BEVs represented 37 (30)% of retail sales. The EX30 continued to perform well, and customer interest in the newly launched EX60 remained strong.

Greater China

The total Chinese passenger car market remained highly competitive during the quarter, characterised by significant pricing pressure and a high pace of new product reveals from domestic manufacturers. The total market declined by 16%, whereof BEV segment increased by 5% and PHEVs declined by 23%. The premium segment decreased by 19% compared to the same period last year.

In Greater China, Volvo Cars' retail sales decreased by 35% compared with the second quarter of 2025. Electrified cars accounted for 40 (11)% of sales during the quarter, whereof BEVs represented 4 (2)% of retail sales. Volvo Cars' sales for the quarter was underpinned by improved demand for premium plug-in hybrids.

Americas

The overall passenger car market in the Americas was in line with the same period last year while the premium market declined by 3%. The BEV segment declined by 14% and PHEVs declined by 31%.

In the US alone, consumer confidence continued to be impacted by economic uncertainty and the effects of changes to incentives for electrified vehicles. The overall US market was also in line with the same period last year, while the premium market declined by 5%. BEV and PHEV sales decreased by 20% and 30% respectively.

Volvo Cars' retail sales in the Americas increased by 4% compared with the second quarter of 2025. Electrified cars accounted for 32 (41)% of retail sales during the quarter, whereof BEVs represented 10 (16)% of retail sales.

Sales development per carline

SUVs, comprising Volvo Cars' XC and EX models, accounted for 91 (87)% of total sales, driven by the best-selling XC60 and XC40. Sedan and wagon models (including MPVs) accounted for 6 (7)% and 4 (6)% of total sales, respectively.

Revenue, SEK m	3 Months Apr–Jun 2026	Apr–Jun 2025	6 Months Jan–Jun 2026	Jan–Jun 2025	Full year 2025
Europe and Rest of the world	51,611	59,374	98,673	109,908	220,110
whereof Europe	*44,741*	*52,380*	*85,729*	*96,826*	*191,135*
Greater China	8,713	14,726	18,602	28,786	58,394
whereof China	*8,030*	*14,140*	*17,474*	*27,772*	*55,661*
Americas	17,349	19,392	33,014	37,746	78,759
whereof US	*14,466*	*16,020*	*27,474*	*31,518*	*65,019*
Total	**77,673**	**93,492**	**150,289**	**176,440**	**357,263**

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

Retail sales, k units	3 Months Apr–Jun 2026	Apr–Jun 2025	Δ%	6 Months Jan–Jun 2026	Jan–Jun 2025	Δ%	12 Months LTM[1)]	2025
Europe and Rest of the world	104.3	102.6	2	199.6	199.7	—	398.2	398.3
whereof Europe	*87.7*	*87.8*	*—*	*167.1*	*169.9*	*–2*	*329.8*	*332.7*
Greater China	24.9	38.3	–35	53.2	72.4	–27	135.2	157.3
whereof China	*23.6*	*37.2*	*–37*	*50.9*	*70.3*	*–28*	*129.8*	*121.6*
Americas	42.4	40.7	4	72.0	81.7	–12	147.6	154.4
whereof US	*34.2*	*31.4*	*9*	*56.9*	*64.7*	*–12*	*113.8*	*149.2*
Retail sales total	**171.5**	**181.6**	**–6**	**324.8**	**353.8**	**–8**	**681.1**	**710.0**
Electrified cars	88.4	80.5	10	161.0	155.0	4	329.2	323.3
whereof BEVs	*43.2*	*37.8*	*14*	*79.5*	*70.2*	*13*	*161.1*	*151.8*
Electrified cars share	52%	44%		50%	44%		48%	46%
whereof BEV share	*25%*	*21%*		*24%*	*20%*		*24%*	*21%*
Wholesales	169.5	179.9	–6	325.7	340.8	–4	677.9	693.0
Production volume	173.4	176.1	–2	351.6	352.1	—	693.6	694.2

Top 10 Retail sales by market, k units	3 Months Apr–Jun 2026	Apr–Jun 2025	Δ%	6 Months Jan–Jun 2026	Jan–Jun 2025	Δ%	12 Months LTM[1)]	2025
US	34.2	31.4	9	56.9	64.7	–12	113.8	121.6
China	23.6	37.2	–37	51.0	70.5	–28	130.1	149.5
United Kingdom	16.3	15.3	6	35.4	33.8	5	70.3	68.7
Sweden	14.4	14.5	–1	24.1	25.4	–5	46.6	47.9
Germany	13.9	15.5	–11	26.4	32.2	–18	54.1	59.8
Netherlands	5.5	5.1	8	9.1	10.0	–9	19.1	20.0
Belgium	5.0	4.9	2	8.8	9.3	–5	17.0	17.4
Poland	5.0	5.4	–8	11.4	10.7	7	16.0	15.3
Italy	4.8	4.1	17	8.6	7.8	10	15.9	15.1
Türkiye	4.5	3.4	32	8.6	5.9	45	17.9	15.2

Retail sales by model, k units	3 Months			6 Months			12 Months	
	Apr–Jun 2026	Apr–Jun 2025	Δ%	**Jan–Jun 2026**	Jan–Jun 2025	Δ%	LTM[1]	2025
BEV								
EX30	22.4	18.6	21	40.7	35.9	13	83.4	78.6
EX40	13.0	10.8	20	25.2	19.7	28	49.5	44.0
EC40	2.5	3.3	–22	4.9	6.6	–26	10.1	11.8
EX90	3.9	5.0	–23	5.9	7.8	–24	14.4	16.3
ES90	1.1	—	—	2.5	—	—	2.8	0.3
EX60	0.2	—	—	0.2	—	—	0.2	—
EM90	0.1	0.1	–10	0.1	0.2	–47	0.7	0.8
Non-BEV								
XC60	47.3	60.0	–21	91.9	120.4	–24	202.2	230.7
XC40	28.7	33.3	–14	55.3	63.5	–13	114.7	123.0
XC90	28.7	27.4	5	50.7	53.2	–5	100.7	103.2
XC70	8.7	—	—	15.3	—	—	29.5	14.2
S60	6.9	6.2	10	13.2	13.2	—	26.3	26.3
V60	6.0	8.0	–25	11.2	15.7	–28	22.6	27.1
S90	1.8	6.3	–72	6.9	12.6	–46	19.9	25.7
V90	0.3	2.5	–89	0.8	4.9	–84	4.0	8.2
Total	**171.5**	**181.6**	**–6**	**324.8**	**353.8**	**–8.2**	**681.1**	**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 second quarter 2025 if not otherwise stated.

Revenue

Volvo Cars' revenue amounted to SEK 77.7 (93.5) bn and wholesale volume declined by 6% to 169.5 (179.9) thousand cars. The decrease in revenue was primarily explained by lower wholesale volume of SEK –5.1 bn, unfavourable sales mix and pricing of SEK –3.1 bn and a prior year one-time sale of subscription car portfolios which amounted to SEK 3.3 bn. These effects were partly offset by higher sales of parts and accessories. Foreign exchange rates had a negative impact on revenue of SEK –1.8 bn due to a stronger SEK compared with the prior year. See the full revenue bridge to the right.

Operating income (EBIT)

EBIT amounted to SEK 0.8 (–10.0) bn, corresponding to a margin of 1.1 (–10.6)%. EBIT excl. items affecting comparability amounted to SEK 0.8 (2.9) bn, corresponding to a margin of 1.1 (3.1)%. The decrease was mainly attributable to sales mix and pricing, lower wholesale volume as well as lower revenue from emission credits which amounted to SEK 0.5 (1.6) bn, partly due to a reversed impairment in the prior year regarding emission credits earned in the first quarter 2025 of SEK 0.7 bn. These effects were partly offset by lower costs related to US tariffs on imported goods as well as by the outcome of the cost and cash actions plan, which continued to materialise through lower variable and indirect costs.

The reduction in variable costs was mainly explained by material cost efficiencies. Indirect costs decreased primarily due to lower selling and administrative expenses, partly offset by higher research and development expenses driven by a lower capitalisation rate, mitigated by lower overall research and development spending. Foreign exchange rates had a negative impact on EBIT of SEK –0.4 bn compared with the prior year. See the full EBIT bridge to the right.

Financial net and tax

Net financial items amounted to SEK 0.2 (–0.1) bn. The increase was mainly explained by negative effects in the prior year from market valuation of investments. The effective tax rate increased to 58.0 (19.5)% mainly because of non-recognised deferred tax assets for taxable losses during the year and items affecting comparability in the prior year.

Net income

Net income was SEK 0.4 (–8.1) bn, which represents 0.5 (–8.7)% of revenue. Basic earnings per share amounted to SEK 0.42 (–2.53).

Changes to Revenue, SEK bn	Apr–Jun
Revenue Q2 2025	**93.5**
Volume	–5.1
Sales mix and pricing	–3.1
Sale of licences	—
Foreign exchange rates	–1.8
Contract manufacturing	–0.4
Other[1]	–5.4
Revenue Q2 2026	**77.7**
Change, %	–17

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

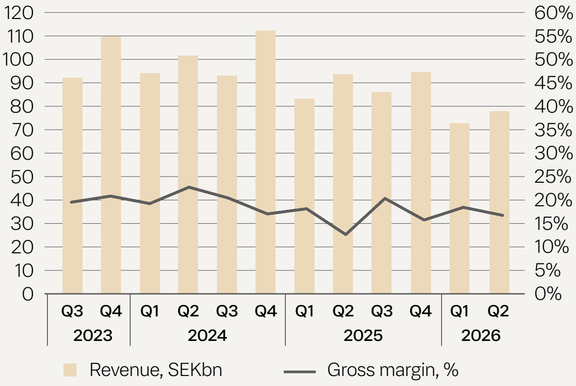
Changes to Operating income, SEK bn	Apr–Jun
EBIT Q2 2025	**–10.0**
Volume	–1.1
Sales mix and pricing	–2.9
Variable cost[2]	2.0
Indirect cost[3]	1.6
Depreciation and amortisations	–0.2
Share of income in JVs and associates	–0.1
Foreign exchange rates	–0.4
Items affecting comparability	12.9
Other[4]	–1.0
EBIT Q2 2026	**0.8**
Change, %	n/m

2) Changes in cost of sales not explained through other categories, mainly related to material cost efficiencies.
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.

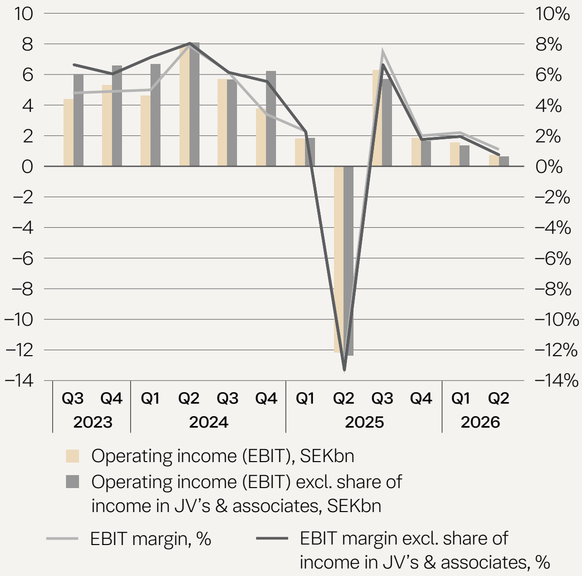
Items affecting comparability, SEK bn	**Apr–Jun 2026**	**Apr–Jun 2025**
Impairment charge for the EX90 and ES90 platform	—	–11.4
Restructuring costs	—	–1.4
Total	**—**	**–12.9**

Research and development, SEK m	3 Months Apr–Jun **2026**	Apr–Jun 2025	Δ%	6 Months Jan–Jun **2026**	Jan–Jun 2025	Δ%	Full year **2025**
Research and development spending	–6,045	–7,872	–23.2	–11,976	–14,409	–16.9	–26,378
Capitalised product development costs	2,874	4,406	–34.8	6,161	8,679	–29.0	15,855
Amortisation of capitalised product development costs	–2,199	–2,096	4.9	–4,512	–4,088	10.4	–8,171
Impairment of capitalised product development costs	—	–7,373	n/m	–2	–7,373	–100.0	–7,373
Research and development expenses	**–5,370**	**–12,935**	**–58.5**	**–10,329**	**–17,191**	**–39.9**	**–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 second quarter 2025 unless otherwise stated.

Total cash and cash equivalents amounted to SEK 41.4 (57.6) bn. Net cash was SEK 10.1 (26.9) bn, primarily driven by working capital. Liquidity amounted to SEK 63.6 (80.8) bn, which includes undrawn credit facilities of SEK 22.2 (23.3) bn.

Cash flow from operating activities

Cash flow from operating activities amounted to SEK 3.1 (18.0) bn. The amount comprises operating income of SEK 0.8 (–10.0) bn, adjusted for depreciation and amortisation of SEK 6.2 (6.1) bn, along with paid income tax of SEK –1.7 (–2.0) bn.

The change in working capital amounted to SEK 0.9 (12.6) bn, supported by continued focus on cash actions despite a challenging operating environment. Inventory movements amounted to SEK –4.2 (3.1) bn, driven by normal seasonality as well as inventory build-up related to the start of production of the EX60, and preparations for the continued production ramp-up to meet anticipated customer demand. In addition, accounts payable changed by SEK –2.1 (2.5) bn, reflecting the underlying production levels. These effects were partly offset by favourable changes in other working capital assets/liabilities of SEK 6.4 (1.7) bn, mainly related to cars under repurchase contracts. The comparative period included a one-time sale of a substantial number of on-balance sheet cars in the UK, affecting year-on-year comparability.

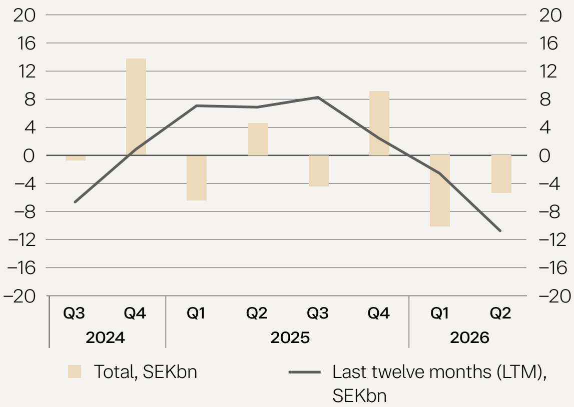
Cash flow from investing activities

Cash flow from investing activities amounted to SEK –8.3 (–13.8) bn. Cash flow from investments in tangible assets amounted to SEK –5.8 (–6.7) bn, primarily related to the completion 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 –2.9 (–4.9) 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 negative cash flow impact of SEK –2.7 bn related to the settlement of a financial guarantee arrangement.

Cash flow from financing activities

Cash flow from financing activities amounted to SEK 0.4 (5.2) bn, primarily reflecting proceeds from credit institutions amounting to 3.1 (0.1) bn. This was partially offset by scheduled repayments of liabilities to credit institutions of SEK –1.9 (–0.3) bn, along with repayments of interest-bearing liabilities amounting to SEK –0.6 (–0.5) bn.

Cash flow from Operating and Investing activities



Cash flow before interest and tax, SEK bn	Q2 2026	Q2 2025
EBIT	**0.8**	**–10.0**
Depreciation and amortisations	6.2	6.1
Change in working capital	0.9	12.6
Inventories	*–4.2*	*3.1*
Accounts payable	*–2.1*	*2.5*
Other working capital assets/liabilities	*6.4*	*1.7*
Other operating working capital	*0.8*	*5.3*
Net investments in tangible and intangible assets	–8.3	*–11.4*
Other	–2.7	*–4.1*
Cash flow before interest and tax	**–3.1**	**–6.8**
Items affecting comparability	—	12.9
Adjusted cash flow before interest and tax	**–3.1**	**6.1**

First six months

Income and result

Revenue

Volvo Cars' revenue amounted to SEK 150.3 (176.4) bn and wholesale volume declined by 4% to 325.7 (340.8) thousand cars. The decrease in revenue was primarily explained by unfavourable foreign exchange rates of SEK –8.5 bn due to a stronger SEK compared with the prior year, sales mix and pricing of SEK –6.5 bn, lower wholesale volume of SEK –4.5 bn and prior year one-time sales of subscription car portfolios which amounted to SEK 4.4 bn. These effects were partly offset by increased sales of parts and accessories as well as used cars. See the full revenue bridge to the right.

Operating income (EBIT)

EBIT amounted to SEK 2.4 (–8.0) bn, corresponding to a margin of 1.6 (–4.5)%. EBIT excl. items affecting comparability amounted to SEK 2.4 (4.9) bn, corresponding to a margin of 1.6 (2.7)%. The decrease was mainly attributable to sales mix and pricing, lower wholesale volume, higher depreciation and amortisation as well as lower revenue from emission credits which amounted to SEK 0.8 (1.7) bn. These effects were partly offset by the outcome of the cost and cash action plan, which materialised through lower variable and indirect costs.

The reduction in variable costs was mainly explained by material cost efficiencies and lower warranty cost. Indirect costs decreased primarily due to lower selling, fixed manufacturing and administrative expenses. This was partly offset by higher research and development expenses driven by a lower capitalisation rate, mitigated by lower overall research and development spending. Foreign exchange rates had a positive impact on EBIT of SEK 0.1 bn compared with the prior year. See the full EBIT bridge to the right.

Financial net and tax

Net financial items amounted to SEK 0.4 (–0.6) bn. The increase was mainly explained by positive effects from the market valuation of holdings and a convertible loan. The effective tax rate increased to 60.4 (17.0)% mainly because of non-recognised deferred tax assets for taxable losses during the year and items affecting comparability in the prior year.

Net income

Net income was SEK 1.1 (–7.1) bn, which represents 0.8 (–4.0)% of revenue. Basic earnings per share amounted to SEK 0.97 (–2.12).

Changes to Revenue, SEK bn	Jan–Jun
Revenue H1 2025	**176.4**
Volume	–4.5
Sales mix and pricing	–6.5
Sale of licences	–0.1
Foreign exchange rates	–8.5
Contract manufacturing	–0.7
Other[1]	–5.8
Revenue H1 2026	**150.3**
Change, %	–15

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

Items affecting comparability, SEK bn	**Jan–Jun 2026**	Jan–Jun 2025
Impairment charge for the EX90 and ES90 platform	—	–11.4
Restructuring costs	—	–1.4
Total	**—**	**–12.9**

Changes to Operating income, SEK bn	Jan-Jun
EBIT H1 2025	**–8.0**
Volume	–1.0
Sales mix and pricing	–4.8
Variable cost[2]	3.8
Indirect cost[3]	2.0
Depreciation and amortisations	–0.9
Share of income in JVs and associates	0.1
Foreign exchange rates	0.1
Items affecting comparability	12.9
Other[4]	–1.8
EBIT H1 2026	**2.4**
Change, %	n/m

2) Changes in cost of sales not explained through other categories, mainly related to material cost efficiencies and lower warranty cost.
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.

Cash flow

Total cash and cash equivalents amounted to SEK 41.4 (57.6) bn. Net cash was SEK 10.1 (26.9) bn, primarily driven by working capital. Liquidity amounted to SEK 63.6 (80.8) bn, which includes undrawn credit facilities of SEK 22.2 (23.3) bn.

Cash flow from operating activities was positive, amounting to SEK 0.5 (16.0) bn. The change in working capital amounted to SEK –7.6 (4.6) bn, primarily driven by inventory SEK –15.1 (–4.4) bn largely driven by the planned inventory build-up at the Torslanda plant to secure full-year sales, as well as investments made to support anticipated demand.

Cash flow from investing activities amounted to SEK –15.7 (–18.1) bn, mainly driven by investments in tangible and intangible assets. 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 comparative period included the payment from the divestment of the 30% shareholding in Lynk & Co, which amounted to SEK 5.6 bn, affecting year-on-year comparability.

Cash flow from financing activities amounted to SEK –1.6 (4.0) bn, primarily reflecting proceeds from credit institutions amounting to 3.5 (4.7) bn. This was partially offset by scheduled repayments of liabilities to credit institutions of SEK –2.3 (–0.3) bn, along with repayments of interest-bearing liabilities amounting to SEK –1.1 (–1.1) bn.

Equity

Total equity increased to SEK 150.3 (148.4) bn. The change is mainly attributable to net income amounting to SEK 1.1 bn, as well as a positive effect on other comprehensive income of SEK 0.8 bn. This resulted in an equity ratio of 38.7 (39.8)%.

The change in other comprehensive income is related to a foreign exchange translation effect, including hedges of net investments in foreign operations of SEK 1.6 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 negative effect of SEK –0.9 bn (net of tax). The change in value of cash flow hedges is mainly due to negative effects from decreased 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 26.

Employees

During the first six months 2026, Volvo Car Group employed 39.7 (43.6) thousand full-time employees (FTEs) and 2.0 (2.7) 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, energy prices and the overall operating environment.

Emission credits

Volvo Car Group holds emission credits connected with the sale of cars in the US, the future realisation of which is subject to regulatory uncertainty. The National Highway Traffic Safety Administration (NHTSA) has paused the administration and approval process for such credits, which currently prevents Volvo Cars from completing sales made as well as executing future sales. As a result, there is uncertainty regarding both the timing and extent of any future realisation. Volvo Cars continues to monitor regulatory developments and potential legislative changes. There have been no financial effects relating to this in the second quarter, 2026.


VOLVO

Consolidated Income Statements

SEK m	Note	Apr–Jun 2026	Apr–Jun 2025	Jan–Jun 2026	Jan–Jun 2025	Full year 2025
Revenue	2	77,673	93,492	150,289	176,440	357,263
Cost of sales		–64,590	–80,903[1)]	–123,760	–148,758[1)]	–297,042[1)]
Gross income		**13,083**	**12,590**	**26,529**	**27,683**	**60,221**
Research and development expenses		–5,370	–12,935[1)]	–10,329	–17,191[1)]	–26,067[1)]
Selling expenses		–5,010	–6,551	–9,962	–12,210	–23,213
Administrative expenses		–2,247	–3,100	–4,559	–5,642	–10,476
Other operating income and expenses		199	–191[1)]	421	–953[1)]	–816[1)]
Share of income in joint ventures and associates		171	232	341	297	654
Operating income		**826**	**–9,955**	**2,441**	**–8,016**	**303**
Interest income and similar credits		345	474	779	937	1,929
Interest expenses and similar charges		–380	–279	–711	–511	–1,251
Other financial income and expenses	3	203	–302	367	–1,001	–1,647
Income before tax	4	**994**	**–10,062**	**2,876**	**–8,591**	**–666**
Income tax		–577	1,958	–1,736	1,462	–2,302
Net income		**417**	**–8,104**	**1,140**	**–7,129**	**–2,968**
Net income attributable to						
Owners of the parent company		1,256	–7,512	2,866	–6,308	174
Non-controlling interests		–839	–592	–1,726	–821	–3,142
Basic earnings per share, SEK	5	0.42	–2.53	0.97	–2.12	0.06
Diluted earnings per share, SEK	5	0.42	–2.53	0.97	–2.12	0.06

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

VOLVO

Consolidated Comprehensive Income

SEK m	**Apr–Jun 2026**	Apr–Jun 2025	**Jan–Jun 2026**	Jan–Jun 2025	Full year 2025
Net income for the period	**417**	**–8,104**	**1,140**	**–7,129**	**–2,968**
Other comprehensive income					
Items that will not be reclassified subsequently to income statement:					
Remeasurements of provisions for post-employment benefits	248	–757	144	91	2,403
Tax on items that will not be reclassified to income statement	–50	155	–19	–21	–496
Items that have been or may be reclassified subsequently to income statement:					
Translation difference on foreign operations	801	–908	1,763	–3,927	–4,646
Translation difference of hedge instruments of net investments in foreign operations	–137	–210	–273	396	749
Change in fair value of cash flow hedge related to currency and commodity price risks	–1,645	582	–1,537	5,397	8,591
Tax on items that have been or may be reclassified to income statement	608	–77	727	–1,194	–1,924
Other comprehensive income, net of income tax	**–175**	**–1,215**	**805**	**742**	**4,677**
Total comprehensive income for the period	**242**	**–9,319**	**1,945**	**–6,387**	**1,709**
Total comprehensive income attributable to					
Owners of the parent company	1,103	–8,565	3,682	–5,015	5,397
Non-controlling interests	–861	–754	–1,737	– 1,372	–3,688
	242	**–9,319**	**1,945**	**–6,387**	**1,709**

Consolidated Balance Sheets

SEK m	Note	30 Jun 2026	31 Dec 2025
ASSETS			
Non-current assets			
Intangible assets		84,082	82,965
Tangible assets		107,661	99,391
Investments in joint ventures and associates	4	10,358	7,003
Other long-term securities holdings	1,3	8,461	10,454
Deferred tax assets		9,367	8,363
Other non-current interest-bearing receivables		1,313	1,235
Non-current derivative assets	3	826	1,743
Other non-current assets		4,527	4,217
Total non-current assets		**226,595**	**215,371**
Current assets			
Inventories		77,347	59,024
Accounts receivable	4	21,695	21,241
Current tax assets		1,733	1,284
Current derivative assets	3	3,029	4,923
Other current assets	4	16,235	13,764
Marketable securities	3	—	1
Cash and cash equivalents	3	41,420	57,564
Total current assets		**161,460**	**157,801**
TOTAL ASSETS		**388,055**	**373,172**
EQUITY & LIABILITIES			
Equity			
Equity attributable to owners of the parent company		150,759	147,079
Non-controlling interests		−438	1,299
Total equity		**150,321**	**148,378**
Non-current liabilities			
Provisions for post-employment benefits		5,711	5,853
Deferred tax liabilities		9,895	9,864
Other non-current provisions		8,596	8,528
Liabilities to credit institutions	3	8,316	6,723
Non-current bonds	3	22,057	21,645
Non-current contract liabilities to customers		8,790	8,605
Other non-current interest-bearing liabilities		5,932	5,355
Non-current derivative liabilities	3	431	253
Other non-current liabilities		7,550	6,714
Total non-current liabilities		**77,278**	**73,540**
Current liabilities			
Provisions, current		6,552	8,356
Liabilities to credit institutions	3	801	922
Current bonds	3	—	1,500
Current contract liabilities to customers		33,551	31,264
Accounts payable	3,4	58,076	57,768
Current tax liabilities		1,040	1,322
Other current interest-bearing liabilities		1,656	1,570
Current derivative liabilities	3	1,144	485
Other current liabilities	4	57,636	48,067
Total current liabilities		**160,456**	**151,254**
TOTAL EQUITY & LIABILITIES		**388,055**	**373,172**

Consolidated Statement of Changes in Equity

SEK m	30 Jun 2026	31 Dec 2025
Opening balance	**148,378**	**142,199**
Net income for the period	1,140	–2,968
Other comprehensive income, net of income tax	805	4,677
Total comprehensive income	**1,945**	**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	51	126
Share-based payments	–53	–56
Transactions with owners	**–2**	**4,470**
Closing balance	**150,321**	**148,378**
Attributable to		
Owners of the parent company	150,759	147,079
Non-controlling interests	–438	1,299
Closing balance	**150,321**	**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	**Apr–Jun 2026**	Apr–Jun 2025	**Jan–Jun 2026**	Jan–Jun 2025	Full year 2025
OPERATING ACTIVITIES					
Operating income	826	–9,955	2,441	–8,016	303
Depreciation and amortisation of non-current assets	6,243	6,076	12,343	11,815	23,945
Dividends received from joint ventures and associates	6	103	14	109	205
Interest and similar items received	345	474	779	937	1,929
Interest and similar items paid	–737	–347	–1,059	–613	–1,538
Other financial items	86	–316	–169	–1,375	–1,963
Income tax paid	–1,743	–2,046	–2,349	–2,271	–3,724
Adjustments for other non-cash items	–2,872	11,375	–3,969	10,843	6,281
	2,154	**5,364**	**8,031**	**11,429**	**25,438**
Movements in working capital					
Change in inventories	–4,240	3,071	–15,119	–4,402	2,353
Change in accounts receivable	–978	4,987	408	1,600	–84
Change in accounts payable	–2,096	2,473	–830	2,368	7,205
Change in provisions	–728	–2,727	–2,041	–1,499	–1,867
Change in contract liabilities to customers	2,510	3,092	2,990	–107	644
Change in other working capital	6,430	1,739	7,030	6,593	936
Cash flow from movements in working capital	**898**	**12,635**	**–7,562**	**4,553**	**9,187**
Cash flow from operating activities	**3,052**	**17,999**	**469**	**15,982**	**34,625**
INVESTING ACTIVITIES					
Investments in shares and participations	–5	322	–5	289	280
Divestment of shares and participations	43	—	43	5,637	7,716
Loans to affiliated companies	—	–2,727[1)]	—	–2,727[1)]	–2,727[1)]
Repayment of loans from affiliated companies	—	—	—	—	1,688
Investments in intangible assets	–2,894	–4,914	–6,285	–9,642	–17,252
Investments in tangible assets	–5,787	–6,667	–9,896	–11,890	–22,825
Disposal of tangible assets	358	158	492	267	872
Other	–10	11	–12	11	72
Cash flow from investing activities	**–8,295**	**–13,817**	**–15,663**	**–18,055**	**–32,176**
Cash flow from operating and investing activities	**–5,243**	**4,182**	**–15,194**	**–2,073**	**2,449**
FINANCING ACTIVITIES					
Proceeds from credit institutions	3,101	58	3,535	4,690	4,947
Proceeds from bond issuance	—	5,543	—	5,543	5,476
Acquisition of treasury shares	—	–219	—	–219	–219
Repayment of bond	—	—	–1,500	–5,732	–5,732
Repayment of liabilities to credit institutions	–1,944	–284	–2,344	–344	–1,631
Repayment of interest-bearing liabilities	–560	–512	–1,065	–1,059	–2,108
Investments in/maturities of marketable securities	168	—	1	—	–1
Other	–379	609	–226	1,155	996
Cash flow from financing activities	**386**	**5,195**	**–1,599**	**4,034**	**1,728**
Cash flow for the period	**–4,857**	**9,377**	**–16,793**	**1,961**	**4,177**
Cash and cash equivalents at beginning of period	**46,396**	**47,181**	**57,564**	**56,373**	**56,373**
Exchange difference on cash and cash equivalents	–119	–319	649	–2,095	–2,986
Cash and cash equivalents at end of period	**41,420**	**56,239**	**41,420**	**56,239**	**57,564**

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

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

In connection with the conversion of a portion of the Polestar loan into shares completed in the first quarter of 2026, Volvo Cars has completed a second conversion to maintain 19.9% ownership. On 30 June 2026, Volvo Car Group converted USD 65.5 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 27 March 2026, as part of the first conversion.

The shares received from the conversion were valued at cost and added to the existing investment in Polestar that is accounted for using the equity method. There were no material effects in the income statement as a result of the conversion. After the close of the transaction Volvo Car Group holds a 19.9% ownership in Polestar which equates to 18.9% of the voting rights. The option to convert at the same price as 31 March 2026 expired on 30 June 2026. Volvo Car Group still holds the option to convert additional portions of the loan into equity securities at a price equivalent to what has been offered to all other market participants, without any preferential rights, discounts or incentives in connection with a potential future qualified equity offering.

Volvo Car Group will continue to account for equity share in Polestar Automotive Holding Group with a time lag of a quarter.

Tariff refunds US

During the second quarter, in connection with certain tariffs imposed under the International Emergency Economic Powers Act (IEEPA) in the United States, Volvo Car Group began submitting claims and receiving refunds of amounts deemed refundable by a Court ruling. As of 30 June 2026, Volvo Car Group has received USD 4 m in refunds and has recognised an additional USD 22.6 m as receivable due to that the claim has been approved. The impact of USD 26.6 m has been reflected as a reduction of Cost of sales.

Supplier claims

In December 2025, Volvo Cars issued a precautionary safety notice relating to a potential issue in certain EX30 battery cells. Further in June, Volvo issued a recall related to XC40. Management has estimated the cost for these recalls as up to SEK 3.6 bn, and both are expected to be fully recovered from the suppliers. For further information on accounting principles, refer to Volvo Car Group's Annual Report 2025.

Note 2 – Revenue

Revenue per country SEK m	Apr–Jun 2026	Apr–Jun 2025	Jan–Jun 2026	Jan–Jun 2025	Full year 2025
US	14,466	16,020	27,474	31,518	65,019
Sweden	11,005	12,914	20,788	21,968	46,757
China	8,030	14,140	17,474	27,772	55,661
United Kingdom	6,903	10,344	14,772	18,757	34,627
Germany	5,977	7,150	11,298	14,601	28,569
Poland	2,637	2,947	6,197	5,972	8,514
Netherlands	2,591	2,609	4,314	5,715	11,426
Belgium	2,380	2,739	3,930	4,902	8,709
Norway	2,098	2,218	4,198	4,203	9,362
Türkiye	1,980	1,891	3,569	3,144	7,848
Other countries	19,606	20,520	36,275	37,888	80,771
Total	**77,673**	**93,492**	**150,289**	**176,440**	**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 per category SEK m	Apr–Jun 2026	Apr–Jun 2025	Jan–Jun 2026	Jan–Jun 2025	Full year 2025
Sales of new cars	54,116	63,864	104,989	123,872	250,468
Sales of used cars	7,380	8,201	13,804	15,079	32,509
Sales of parts and accessories	9,664	9,159	19,448	18,933	38,835
Revenue from subscription, leasing and rental business	1,185	1,432	2,255	2,891	5,675
Sales of licences and royalties	151	145	227	299	1,936
Contract manufacturing	2,674	3,045	4,205	5,044	10,249
Emission credits	475	1,641	843	1,656	3,501
Other revenue[1)]	2,028	6,005	4,518	8,666	14,090
Total	**77,673**	**93,492**	**150,289**	**176,440**	**357,263**

1) Includes one-time sales of subscription car portfolios amounting to SEK – (4,442) m, whereof SEK – (3,300) m impact the second quarter.

Timing of revenue recognition SEK m	Apr–Jun 2026	Apr–Jun 2025	Jan–Jun 2026	Jan–Jun 2025	Full year 2025
At the point of delivery	75,202	90,710	145,626	170,757	345,635
Over the contract term	2,471	2,782	4,663	5,683	11,628
Total	**77,673**	**93,492**	**150,289**	**176,440**	**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.

		30 Jun 2026		31 Dec 2025	
SEK m	**Measurement level**	**Carrying value**	**Fair value**	Carrying value	Fair value
Financial assets carried at amortised cost					
Accounts receivable	—	21,695	21,695	21,241	21,241
Other financial receivables, non-current and current[1)]	—	7,135	7,143	5,022	5,030
Cash and cash equivalents	—	41,420	41,592	57,564	57,578
		70,250	**70,430**	**83,827**	**83,849**
Financial assets carried at fair value through profit or loss					
Other long-term securities holdings		8,461	8,461	10,454	10,454
of which convertible loan[2)]	*2*	*6,760*	*6,760*	*9,177*	*9,177*
of which equity instruments	*3*	*1,701*	*1,701*	*1,277*	*1,277*
Non-current and current derivative assets		3,855	3,855	6,666	6,666
of which commodity derivatives – designated hedging instruments	*2*	*2,212*	*2,212*	*2,920*	*2,920*
of which currency derivatives – designated hedging instruments	*2*	*1,477*	*1,477*	*3,447*	*3,447*
of which interest rate swap – designated hedging instruments	*2*	*97*	*97*	*168*	*168*
of which currency derivatives – not designated hedging instruments	*2*	*69*	*69*	*131*	*131*
		12,316	**12,316**	**17,120**	**17,120**
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	—	58,076	58,076	57,768	57,768
of which payables under supplier financing programmes	—	*4,878*	*4,878*	*4,434*	*4,434*
of which suppliers received payment from financial institution	—	*3,760*	—	*4,033*	—
Non-current and current bonds and liabilities to credit institutions[3)]	—	31,174	31,811	30,790	31,797
Other financial liabilities, non-current and current[4)]	—	33,031	33,031	22,147	22,147
of which payables under supplier financing programmes	—	*122*	*122*	*712*	*712*
of which suppliers received payment from financial institution	—	*122*	—	*712*	—
		122,281	**122,918**	**110,705**	**111,712**
Financial liabilities carried at fair value through profit or loss					
Non-current and current derivative liabilities		1,575	1,575	738	738
of which currency derivatives – designated hedging instruments	*2*	*716*	*716*	*269*	*269*
of which commodity derivatives – designated hedging instruments	*2*	*397*	*397*	*249*	*249*
of which currency derivatives – not designated hedging instruments	*2*	*292*	*292*	*57*	*57*
of which interest rate swap derivatives – designated hedging instruments	*2*	*92*	*92*	*57*	*57*
of which interest rate swap derivatives – not designated hedging instruments	*2*	*78*	*78*	*106*	*106*

1) Includes items presented as Other non-current and current assets on the balance sheet, amounted to SEK 5,823 (3,787) 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 –22 (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 27,624 (18,480) m. Includes also items presented as Other non-current and current liabilities in the balance sheet, amounting to SEK 5,407 (3,613) m. Excluding the lease liability which is presented as Other non-current and current liabilities in the balance sheet amounting to SEK 7,587 (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.

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

	30 Jun 2026 Equity instruments	31 Dec 2025 Equity instruments
Opening balance	1,277	1,473
Investment	5	50
Impairment	—	–2
Changes in fair value recognised in Other financial income and expenses	360	–52
Exchange rate differences	59	–192
Closing balance	**1,701**	**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, technology licences 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

No significant events have occurred during the period.

Transactions with related parties

Significant transactions with related parties and the nature of these are specified in the tables below. The nature of significant transactions with related parties are provided in Note 4 – Related party transactions in the Annual Report 2025.

Related party transactions specified below but not previously described in the Annual Report 2025 are:
- Purchases from Quzhou Jidian Electric Vehicle Technology Co., Ltd, mainly related to EX30.

Sales of goods, services and other

SEK m	Apr–Jun 2026	Apr–Jun 2025	Jan–Jun 2026	Jan–Jun 2025	Full year 2025
Related companies[1)2)]	3,214	3,847	5,231	6,756	15,792
of which Polestar Automotive Holding UK Group	*3,028*	*3,472*	*4,911*	*5,957*	*13,730*
Joint ventures and associated companies	2,376	5,220	5,161	7,564	13,121
of which Volvo Car Financial Services UK Ltd	*1,894*	*4,787*	*4,219*	*6,722*	*11,276*

Purchases of goods, services and other

SEK m	Apr–Jun 2026	Apr–Jun 2025	Jan–Jun 2026	Jan–Jun 2025	Full year 2025
Related companies[1)2)]	–9,204	–10,297	–18,673	–18,443	–37,095
of which Aurobay Sweden AB	*–3,006*	*–3,055*	*–5,913*	*–6,548*	*–11,561*
of which Zhangjiakou Geely New Energy Automobile Co., Ltd	*–2,792*	*–1,935*	*–6,038*	*–1,935*	*–9,089*
of which Quzhou Jidian Electric Vehicle Technology Co., Ltd	*–785*	*—*	*–1,522*	*—*	*—*
of which Zhangjiakou Aurobay Powertrain Manufacturing Co., Ltd	*–729*	*–971*	*–1,231*	*–1,749*	*–3,110*
of which Aurobay Changxing Automatic Transmission Co., Ltd (prior name Geely Changxing Automatic Transmission Co., Ltd)	*–335*	*–402*	*–744*	*–907*	*–1,745*
of which Viridi E-Mobility Technology (Ningbo) Co., Ltd	*–264*	*–1,062*	*–594*	*–1,343*	*–3,360*
of which Zhejiang Geely Automobile Co., Ltd	*–442*	*–1,068*	*–449*	*–3,246*	*–3,270*
Joint ventures and associated companies	–303	–339	–605	–602	–1,188

	Receivables[3)]		Payables[3)]	
SEK m	30 Jun 2026	31 Dec 2025	30 Jun 2026	31 Dec 2025
Related companies[1)2)]	15,108	21,091	10,450	12,344
Joint ventures and associated companies	2,013	1,390	90	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 8,020 (10,800) m. Non-current part of payables amounts to SEK – (1) m.

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Note 5 – Earnings per share

Basic earnings per share, SEK m	**Apr–Jun 2026**	Apr–Jun 2025	**Jan–Jun 2026**	Jan–Jun 2025	Full year 2025
Net income attributable to owners of the parent company	1,257	−7,512	2,866	−6,308	174
Net income attributable to owners of ordinary shares in the parent company	**1,257**	**−7,512**	**2,866**	**−6,308**	**174**
Weighted average number of ordinary shares outstanding, basic[1]	2,965,242,956	2,969,893,873	2,964,953,699	2,972,388,630	2,968,505,485
Basic earnings per share, SEK	**0.42**	**−2.53**	**0.97**	**−2.12**	**0.06**

Diluted earnings per share, SEK m	**Apr–Jun 2026**	Apr–Jun 2025	**Jan–Jun 2026**	Jan–Jun 2025	Full year 2025
Net income in basic earnings per share	1,257	−7,512	2,866	−6,308	174
Net income in diluted earnings per share	**1,257**	**−7,512**	**2,866**	**−6,308**	**174**
Weighted average number of ordinary shares outstanding, basic[1]	2,965,242,956	2,969,893,873	2,964,953,699	2,972,388,630	2,968,505,485
Dilutive effect for share-based payment programmes	617,345	894,300	694,828	839,096	2,431,998
Weighted average number of ordinary shares outstanding, diluted	**2,965,860,301**	**2,970,788,173**	**2,965,648,527**	**2,973,227,726**	**2,970,937,483**
Diluted earnings per share, SEK	**0.42**	**−2.53**	**0.97**	**−2.12**	**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 14 contains information on Volvo Cars' assessments of the global environment on the Group.

Parent Company Income Statements

SEK m	**Apr–Jun 2026**	Apr–Jun 2025	**Jan–Jun 2026**	Jan–Jun 2025	Full year 2025
Administrative expenses	–13	–12	–21	–20	–38
Operating loss	**–13**	**–12**	**–21**	**–20**	**–38**
Interest income and similar credits	368	331	727	670	1,421
Interest expenses and similar charges	–255	–230	–510	–457	–1,006
Other financial income and expenses[1)]	–4	–6	–11	–13	3,172
Income before tax	**96**	**83**	**185**	**180**	**3,549**
Income tax	–21	–20	–39	–51	806
Net income	**75**	**63**	**146**	**129**	**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	**30 Jun 2026**	31 Dec 2025
ASSETS		
Non-current assets	51,779	49,798
Current assets	16,262	22,147
TOTAL ASSETS	**68,041**	**71,945**
EQUITY & LIABILITIES		
Equity		
Restricted equity	61	61
Non-restricted equity	41,236	41,092
Total equity	**41,297**	**41,153**
Non-current liabilities	26,142	24,117
Current liabilities	602	6,675
Total liabilities	**26,744**	**30,792**
TOTAL EQUITY & LIABILITIES	**68,041**	**71,945**

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 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.

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.

Battery Electric Vehicles (BEV)

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

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.

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).

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.

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).

Agency personnel

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

V O L V O

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.

Operating Income (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.

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.

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.

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. 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.

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 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.

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	**Apr–Jun 2026**	Apr–Jun 2025	Full year 2025
Revenue	77,673	93,492	357,263
Cost of sales	–64,590	–80,903	–297,042
Research and development expenses	–5,370	–12,935	–26,067
Operating income (EBIT)	826	–9,955	303
EBIT excl. Items affecting comparability	826	2,912	12,556
EBIT excl. share of income in JVs & associates	655	–10,187	–351
EBITDA	7,069	7,552	35,679
Net income	417	–8,104	–2,968
Gross margin, %	16.8	13.5	16.9
Gross margin, excl. Items affecting comparability, %	16.8	17.7	18.0
EBIT margin, %	1.1	–10.6	0.1
EBIT margin excl. Items affecting comparability, %	1.1	3.1	3.5
EBIT margin excl. share of income in JVs & associates, %	0.8	–10.9	–0.1
EBITDA margin, %	9.1	8.1	10.0

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The Board of Directors and the Chief Executive Officer certify that the half year financial report gives a fair view of the performance of the business, position and income statements of Volvo Car AB (publ.) and Volvo Car Group, and describes the principal risks and uncertainties to which Volvo Car AB (publ.) and the Volvo Car Group is exposed.

Gothenburg,   July 2026

Eric Li (Li Shufu)
Chairperson of the Board

Håkan Samuelsson
Board member, President and CEO

Daniel Li (Li Donghui)
Board member

Diarmuid O'Connell
Board member

Jonas Samuelson
Board member

Lila Tretikov
Board member

Ruby Lu (Rong Lu)
Board member

Pieter Nota
Board member

Natalie Knight
Board member

Markus Schäfer
Board member

Adrian Avdullahu
Board member, employee representative

Jörgen Olsson
Board member, employee representative

Zara Biske
Board member, employee representative

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Review report

Volvo Car AB (publ.) org. nr 556810-8988

Introduction

We have reviewed the condensed interim financial information (interim report) of Volvo Car AB (publ.) as of June 30, 2026 and the six-months period then ended. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Gothenburg, 16 July, 2026
Deloitte AB

Signature on Swedish original
Fredrik Jonsson
Authorized Public Accountant

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Financial Calendar & quarterly presentation

Webcast and quarterly presentation

At 08:00 CEST on 17 July, Volvo Cars will host a live-stream for media, investors and analysts. The presentation will be held in English and followed by a Q&A session.

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

17 September 2026:	Strategy Update 2026
23 October 2026:	Q3 2026 report
4 February 2027:	Q4 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.


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