

V O L V O



Volvo Car Group

INTERIM REPORT THIRD QUARTER 2026

Third quarter 2026	First nine months 2026
• Retail sales decreased by 11% to 141.3 (158.5) thousand cars. • Revenue amounted to SEK 66.9 (86.4) bn. The decrease was primarily explained by lower wholesale volumes and adverse sales mix and pricing. Comparability was also impacted by a SEK –1.1 bn item related to the revaluation of US CAFE credits following a retroactive change in emission legislation. • EBIT was SEK –5.6 (6.4) bn. EBIT excl. share of income in JVs and associates and items affecting comparability amounted to SEK –3.7 (5.8) bn. The negative result was mainly attributable to sales mix and pricing, lower wholesale volumes, lower sales of licences, higher raw material and unfavourable foreign exchange rate effects, partly offset by cost efficiencies within indirect costs. • EBIT margin was –8.4 (7.4)%. EBIT margin excl. share of income in JVs and associates and items affecting comparability was –5.6 (6.7)%. • Basic earnings per share was SEK –1.63 (1.75). • Operating and investing cash flow was SEK –8.9 (–4.3) bn, primarily reflecting operating performance during the quarter, partly offset by lower investments in intangible and tangible assets.	• Retail sales decreased by 10% to 460.0 (510.8) thousand cars. • Revenue amounted to SEK 217.2 (262.9) bn. The negative year-on-year development reflects lower volume trends, adverse sales mix and pricing and foreign exchange rate headwinds. • EBIT was SEK –3.2 (–1.6) bn. EBIT excl. share of income in JVs and associates and items affecting comparability amounted to SEK –1.6 (10.3) bn. Profitability was negatively impacted by adverse sales mix and pricing effects and volume developments, together with lower sale of licences and higher depreciation and amortisation, mitigated by the outcome of the cost and cash action plan which delivered lower variable and indirect costs. • EBIT margin was –1.5 (–0.6)%. EBIT margin excl. share of income in JVs and associates and items affecting comparability was –0.8 (3.9)%. • Basic earnings per share was SEK –0.66 (–0.37). • Operating and investing cash flow was SEK –24.1 (–6.4) bn, mainly reflecting the working capital development, including planned inventory build-up, while lower investment levels partly mitigated the outflow.
Corporate highlights during the quarter	Updates after the period
• On 1 July, Markus Schäfer joined the Board of Directors as a new Board member. • In July, Volvo Cars signed a Memorandum of Understanding with the Belgian federal government and the Flanders regional government on support measures of up to EUR 119 m for industrial, innovation and ecological initiatives at Volvo Car Gent. • In September, Volvo Cars and Geely Auto finalised the agreement for their previously announced commercial partnership for Lynk & Co in Europe. Under the agreement, Volvo Cars will become the exclusive distributor of Lynk & Co cars in Europe from January 2027. • On 17 September, Volvo Cars held its Strategy Update in Stockholm, presenting a roadmap towards a long-term EBIT margin above 8%, supported by regionalisation, increased Geely collaboration, a 13-model product offensive and structurally lower operating costs and investments. • On 20 September, the Board of Directors appointed Klaus Zellmer as President and CEO. He will assume the position no later than 1 October 2027.	• On 2 October, Volvo Cars issued a press release on the removal of the company's forward looking statement on volume and cash flow. • On 15 October, Volvo Cars announced it is expanding its partnership with NVIDIA to unlock new levels of safety in automated driving technology in future cars. • In October, the Group decided on a restructuring programme, expected to result in restructuring costs of approximately SEK 0.6 bn. A provision related to the programme will be recognised during the fourth quarter. Forward-looking • Given an increasingly challenging market situation and deteriorating market outlook for the coming quarters, Volvo Cars has removed forward-looking statements for the remainder of the year.

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SEK bn unless otherwise stated	3 Months			9 Months			12 Months	
	Jul-Sep 2026	Jul-Sep 2025	Δ ³⁾	Jan-Sep 2026	Jan-Sep 2025	Δ ³⁾	LTM ⁴⁾	Full year 2025
Retail sales, k units ¹⁾	141.3	158.5	-11	460.0	510.8	-10	654.3	705.1
Revenue	66.9	86.4	-23	217.2	262.9	-17	311.6	357.3
Research and development expenses	-5.3	-4.1	30	-15.6	-21.3	-27	-20.5	-26.1
Operating income (EBIT)	-5.6	6.4	n/m	-3.2	-1.6	99	-1.3	0.3
EBIT excl. share of income in JVs and associates and items affecting comparability ²⁾	-3.7	5.8	n/m	-1.6	10.3	n/m	0.1	12.0
EBIT excl. items affecting comparability ²⁾	-4.5	5.9	n/m	-2.1	10.8	n/m	-0.3	12.5
EBITDA ²⁾	2.0	12.1	-83	16.8	27.9	-40	24.7	35.7
Net income	-5.7	4.5	n/m	-4.6	-2.6	75	-5.0	-3.0
Basic earnings per share, SEK	-1.63	1.75	n/m	-0.66	-0.37	76	-0.23	0.06
Cash flow from operating activities	-4.0	2.7	n/m	-3.5	18.7	n/m	12.3	34.6
Cash flow from investing activities	-4.9	-7.1	-31	-20.5	-25.1	-18	-27.6	-32.2
Gross margin, % ²⁾	13.0	20.4	-7.3	16.2	17.2	-1.0	16.1	16.9
Gross margin excl. items affecting comparability, % ²⁾	14.7	20.4	-5.7	16.7	18.7	-2.0	16.5	18.0
EBIT margin, % ²⁾	-8.4	7.4	-15.8	-1.5	-0.6	-0.8	-0.4	0.1
EBIT margin excl. share of income in JVs and associates and items affecting comparability, % ²⁾	-5.6	6.7	-12.3	-0.8	3.9	-4.7	0.0	3.4
EBIT margin excl. items affecting comparability, % ²⁾	-6.7	6.9	-13.6	-0.9	4.1	-5.0	-0.1	3.5
EBITDA margin, % ²⁾	3.0	14.0	-11.0	7.7	10.4	-2.7	8.1	10.0

1) Non-financial operating metric.

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

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.



Taking action to navigate a very tough environment

Dear shareholders,

The third quarter of 2026 was very disappointing and reflects a year that has become far more challenging than originally anticipated. Our ongoing turnaround plan therefore needs a decisive reinforcement.

The Q3 operational loss was driven by a negative market development primarily in China, but also in the US.

In China, the market for legacy premium brands is in severe decline due to intense competition from new Chinese alternatives, basically eliminating profitability for legacy premium brands.

This has resulted in our revenues in China falling by almost 50 per cent compared to last year.

The US market is affected by continued negative effects from tariffs as well as the removal of incentives for electrified cars, which both have put heavy pressure on the margins of imported electrified cars.

The weak performance in the US and China means that half our business was not contributing to profitability.

Europe's car market has been more stable and was therefore the sole positive contributor to our operational performance.

We continue to lead in the electrification of the premium segment in Europe, with a BEV sales share of 45 per cent in Q3, and we see an increased order intake for our electric cars.

Our results have, on top of the negative market development, also been affected by other significant external developments.

These include a negative revaluation of SEK 1.1 bn in CAFE credits due to legislation changes in the US, negative raw material developments and SEK -0.9 bn due to Polestar's losses in Q2.

The financial result is a disappointing SEK -3.7 bn EBIT (excluding JV's and associates and items affecting comparability).

In this situation, we need to fully focus on what we can influence and control.

A clear strategy for long-term success with the right regional products

At our recent Strategy Update, we laid out a clear plan for growth through flexible electrification based on our largest-ever product push, with 13 new regionally optimised cars.

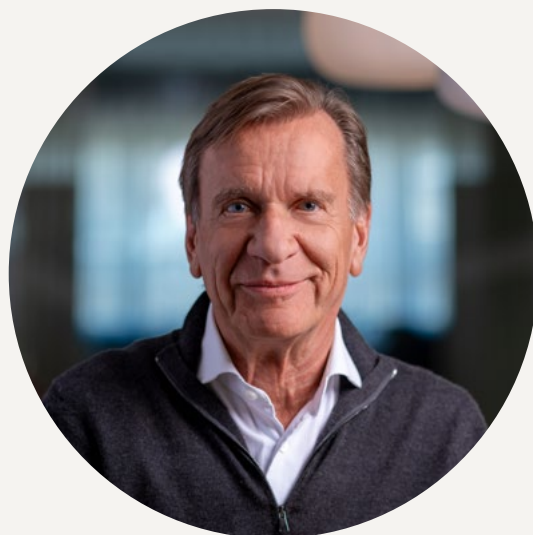
In Europe, the EX60 has been a big success with over 50,000 orders and it will be one of the company's best profit-contributing models. Due to new industrial technology such as cell-to-body it is taking longer than planned to ramp up production. We are, however, steadily improving built volumes.

In 2027 we will introduce our next BEV car based on the SPA3 platform, targeting a large lower-priced market segment, with the first customer deliveries starting after summer. This will further strengthen our BEV leadership and improve margins.

We are therefore convinced of our European growth strategy focused on electrification.

In the US, we are continuing to work closely with our retail partners to improve our sales performance. We have divided the market into four regions to bring product offering, marketing and sales closer to the customers.

We are fast-tracking the production start of the long-range plug-in hybrid versions of the XC90 and XC60 with European deliveries starting this year and the US shortly after. In Q1 2027, we will localise XC60 production in Charleston. And by the end of the decade we will localise a second all-new car with multiple powertrain options.



“ *We are convinced that we have the right long-term strategy. However, in the short term, a reinforced turnaround plan to make us more resilient is needed.*



In China, the next two years will remain very tough, so we are taking further cost-efficiency actions to weather the storm. As an example, we will combine our two offices in Shanghai by moving our sales office to our local HQ in Jiading.

Mid-next year we will reveal and start production of the first two of six new China-tailored cars, developed in cooperation with Geely. These cars will be developed with a Chinese tech stack with the latest ADAS technologies to make us fully competitive on the market.

Additional cost and cash actions for a reinforced turnaround

On a company level, we aim to reduce an additional SEK 5 billion in indirect spend and variable costs. The full financial effects of these measures will be realised by the end of next year, which means we will have lowered our total indirect spending by almost 25 per cent versus 2024.

We will achieve this cost reduction through lowering corporate overheads as we empower our regions, end consultant contracts, utilise natural attrition and offer targeted exit packages to employees.

We are also lowering our R&D costs as we have already laid our tech foundation with HuginCore and SPA3.

Altogether, these actions will result in the structural reduction of approximately 2,500 jobs, of which 2,000 are based in Sweden. We are also adapting our blue-collar workforce to current volumes by leveraging existing flexibility.

We will also develop a more efficient production structure by concentrating on five dedicated Volvo plants globally. For our Chengdu and Ghent plants we are exploring the option of multi-brand assembly together with Geely.

On the variable cost side, we will further lower our material costs with more common suppliers with Geely Group as well as more common hardware parts.

And finally, we will continue to prioritise cash. Our investment peak is behind us, and we have now returned to a normal and affordable level, corresponding to an approximately 30 per cent reduction compared to 2024.

Looking ahead

We continue to operate in a very tough environment with strong external challenges: de-globalisation, hypercompetition and climate change. We are convinced that we have the right long-term strategy addressing these challenges.

However, in the short term, with severely challenged volumes, a reinforced turnaround plan with additional decisive actions, lowering our break-even point and improving cash flows to make us more resilient is needed.

Håkan Samuelsson
President and CEO

Quarterly highlights

Measures to strengthen Volvo Car Gent's competitiveness

In July, Volvo Cars signed a Memorandum of Understanding with the Belgian federal and Flanders regional governments on support measures of up to EUR 119 million for industrial, innovation and ecological initiatives at Volvo Car Gent. Together with Volvo Cars' own efficiency actions, the measures are intended to strengthen the plant's long-term competitiveness, support future utilisation and enable further strategic investments, including possible opportunities for the contract manufacturing of cars from other brands alongside continued Volvo car production.

Swedish resources consolidated across fewer sites

On 31 August, Volvo Cars announced plans to relocate the majority of the responsibilities of its Stockholm office to its headquarters in Gothenburg and close the Stockholm office on 1 March 2027. The consolidation is intended to simplify the organisation, strengthen cross-functional collaboration and generate cost efficiencies.

Volvo Cars to become European distributor for Lynk & Co

During September, Volvo Cars and Geely Auto finalised an agreement under which Volvo Cars will become the exclusive distributor of Lynk & Co cars in Europe from January 2027. The agreement expands Volvo Cars' commercial footprint by leveraging its established retail and service network, creating additional sales and service opportunities for retail partners and at the same time broadening the product offering available to customers, while also supporting Lynk & Co's continued growth in Europe.

New long-range plug-in hybrids XC60 and XC90 unveiled

On 15 September, Volvo Cars unveiled new long-range plug-in hybrid variants of the XC60 and XC90 for the European and American markets. The new XC60 offers an electric range of up to 200 kilometres, while the XC90 offers up to 160 kilometres, strengthening the company's electrified product offering and providing a bridge towards a fully electric future.

Strategy Update 2026 in Stockholm

On 17 September, Volvo Cars presented its strategic roadmap to build a stronger and more profitable company, targeting a long-term EBIT margin above 8% and strong cash flows. The strategy includes the company's largest-ever product offensive, with 13 new cars to be launched by 2030, and is centred on growth through electrification, a regionalised product offering, increased synergies with Geely, a more complete customer offer and structurally lower costs and investments.

Changes to Board of Directors and Executive Management

The Board of Volvo Cars appoints Klaus Zellmer as President and CEO

On 20 September, the Board of Directors of Volvo Cars appointed Klaus Zellmer as President and Chief Executive Officer. Klaus Zellmer will assume the position no later than 1 October 2027. Håkan Samuelsson will, together with the Board, ensure a seamless transition.

Klaus Zellmer's most recent position is Chairman of the Board of Management and CEO of Škoda Auto.

Markus Schäfer joins Board of Directors

Effective 1 July 2026, Markus Schäfer assumed his position as a member of the Board of Directors, having been elected at Volvo Cars' Annual General Meeting on 31 March 2026.

Executive Management Team strengthened for next phase of growth

During the quarter Volvo Cars announced changes to its Executive Management Team to strengthen the organisation for its next phase of growth. Effective 1 September, Alexander Petrofski was appointed Chief Technology Officer and Magnus Nilsson Chief Manufacturing Officer, while Francesca Gamboni assumed a more focused role as Chief Procurement and Supply Chain Officer. Anders Bell took responsibility for a new strategic initiative focused on scaling Volvo Cars' platform and digital technology.

Sustainability

During the third quarter, 53 (46)% of retail sales were electrified cars. Volvo Cars also continued to advance its electrification ambitions through the expansion of its electrified vehicle portfolio. New long-range plug-in hybrid variants of the XC60 and XC90 enable greater electric driving range, while the introduction of the updated EX40 and EC40 further expands customer choice on the path towards electrification.

As of September, CO₂ emissions per car sold were reduced by 32% year-to-date, compared with our 2018 baseline.

	CO ₂ per car, tonnes	CO ₂ reduction per car, %
2018	54	—
2025 Jan–Sept	38	29
2025	37	31
2026 Jan–Sept	36	32
2030 ambition	13–19	65–75

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 July–August data and estimates for September.

The overall global passenger car market decreased by 5% and the global premium market decreased by 8% year-on-year in the third quarter. The BEV segment increased by 6% while the PHEV segment decreased by 9%, compared with the same period last year. The third quarter was challenging, with continued regional differences in demand and electrification trends. Macroeconomic uncertainty, geopolitical tensions and hyper-competition continued to impact demand and market dynamics across regions.

Volvo Cars' retail sales decreased by 11% compared with the third quarter of 2025, mainly reflecting a further deterioration in market conditions in China, where industry volumes remained under significant pressure, as well as a slower-than-expected recovery in the US. Electrified cars (BEV and PHEV) accounted for 53 (46)% of retail sales during the quarter, whereof BEVs represented 32 (22)% of retail sales. Wholesale and production volume decreased by 19% and 17% respectively compared with the same period last year.

Volvo Cars' market share per propulsion type, % ^{1) 2)}	Jan–Aug 2026	Jan–Aug 2025
BEV	1.21	1.14
EREV	n/a	n/a
PHEV	3.24	3.15
ICE (incl. mild hybrids)	0.66	0.74
Volvo Cars' share of total market	0.94	0.98

Total industry volume share and growth by propulsion type, % ^{1) 2)}	Jan–Aug 2026	Growth YoY
BEV	20	10
EREV	1	–34
PHEV	7	–12
ICE (incl. mild hybrids)	72	–7
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 October 2026, capturing more than 90% of total world sales per August. All rights reserved.

Europe and Rest of the world

The overall passenger car market in Europe and rest of the world increased by 4% while the premium market was in line with the same quarter last year. BEV and PHEV sales increased by 53% and 25% respectively.

In Europe alone, the overall passenger car market increased by 7% and the premium car market increased by 3%. BEV and PHEV sales increased by 55% and 18% respectively.

Volvo Cars' retail sales in Europe and rest of the world increased by 2% compared with the third quarter of 2025. Electrified cars accounted for 64 (58)% of sales during the quarter, whereof BEVs represented 45 (30)% of retail sales. The overall increase was mainly driven by higher sales of the EX30 and solid demand in key European markets.

Greater China

The total Chinese passenger car market saw declines across all segments, with the total market decreasing by 18% compared with the same period in 2025. The BEV segment decreased by 5%, PHEVs decreased by 25% and the premium segment decreased by 21% compared to the same period last year.

In Greater China, Volvo Cars' retail sales decreased by 41% compared with the third quarter of 2025. Electrified cars accounted for 29 (14)% of sales during the quarter, whereof BEVs represented 2 (3)% of retail sales. PHEVs represented a larger share of the sales mix, with XC70 in the lead. The accelerating adoption of electric vehicles continues to benefit Chinese manufacturers, whose competitive pricing and strong offering of digital features are resonating with local customers.

Americas

The overall passenger car market in the Americas increased by 1% while the premium market decreased by 6%. The BEV segment decreased by 24% and PHEVs increased by 8%.

In the US alone, the overall market decreased by 2% and the premium market decreased by 6%. BEV and PHEV sales decreased by 40% and 38% respectively.

Volvo Cars' retail sales in the Americas decreased by 14% compared with the third quarter of 2025. Electrified cars accounted for 37 (43)% of retail sales during the quarter, whereof BEVs represented 12 (19)% of retail sales. The decline was driven by continued weak consumer sentiment, increasing competitive pressure in the SUV segment and a high comparative base from last year, when sales of electrified cars rose before the expiry of consumer subsidies.

Sales development per carline

SUVs, comprising Volvo Cars' XC and EX models, accounted for 91 (88)% of total sales, driven by the best-selling XC60 and XC40. Sedan models accounted for 6 (7)% of total sales, while wagon models and MPVs accounted for 3 (5)%.

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	3 Months		9 Months		Full year 2025
	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025	
Revenue, SEK m					
Europe and Rest of the world	45,457	53,148	144,130	163,056	220,110
<i>whereof Europe</i>	38,511	45,254	124,240	142,080	191,135
Greater China	8,306	14,787	26,908	43,573	58,394
<i>whereof China</i>	7,498	14,075	24,972	41,847	55,661
Americas	13,133	18,504	46,147	56,250	78,759
<i>whereof US</i>	9,708	14,471	37,182	45,989	65,019
Total	66,896	86,439	217,185	262,879	357,263

From 2026, the geographical distribution of revenue is based on the selling legal entity. Comparative figures have been adjusted accordingly.

	3 Months			9 Months			12 Months	
	Jul-Sep 2026	Jul-Sep 2025	Δ%	Jan-Sep 2026	Jan-Sep 2025	Δ%	LTM ¹⁾	2025
Retail sales, k units								
Europe and Rest of the world	90.5	88.8	2	290.1	288.5	1	400.0	398.3
<i>whereof Europe</i>	75.4	72.8	4	242.5	242.7	—	332.4	332.7
Greater China ²⁾	19.9	34.1	-41	67.0	105.0	-36	111.5	149.5
<i>whereof China²⁾</i>	18.6	32.8	-43	63.4	101.8	-38	106.2	144.6
Americas	30.8	35.6	-14	102.8	117.3	-12	142.8	157.3
<i>whereof US</i>	23.8	26.0	-9	80.6	90.7	-11	111.6	121.6
Retail sales total²⁾	141.3	158.5	-11	460.0	510.8	-10	654.3	705.1
Electrified cars ²⁾	75.4	72.3	4	232.2	227.2	2	327.8	322.8
<i>whereof BEVs²⁾</i>	45.1	35.0	29	124.5	105.3	18	171.2	152.0
Electrified cars share ²⁾	53%	46%		50%	44%		50%	46%
<i>whereof BEV share²⁾</i>	32%	22%		27%	21%		26%	22%
Wholesales	130.8	161.0	-19	456.6	501.8	-9	647.8	693.0
Production volume	125.9	151.8	-17	477.5	504.0	-5	667.7	694.2

	3 Months			9 Months			12 Months	
	Jul-Sep 2026	Jul-Sep 2025	Δ%	Jan-Sep 2026	Jan-Sep 2025	Δ%	LTM ¹⁾	2025
Top 10 Retail sales by market, k units								
US	23.8	26.0	-9	80.6	90.7	-11	111.6	121.6
United Kingdom	19.0	18.0	6	54.3	51.8	5	71.3	68.7
China ²⁾	18.6	32.8	-43	63.4	101.8	-38	106.2	144.6
Germany	12.1	13.3	-9	38.4	45.5	-15	52.8	59.8
Sweden	9.9	10.0	-1	33.9	35.4	-4	46.5	47.9
Türkiye	4.6	3.4	35	13.2	9.4	41	19.1	15.2
Netherlands	3.8	3.3	15	12.8	13.3	-3	19.6	20.0
Belgium	3.7	3.6	5	12.5	12.8	-3	17.1	17.4
Canada	3.6	4.2	-13	10.9	10.8	1	14.6	14.5
Spain	3.5	3.2	7	10.9	10.3	6	15.8	15.2

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Retail sales by model, k units	3 Months			9 Months			12 Months	
	Jul-Sep 2026	Jul-Sep 2025 ²⁾	Δ%	Jan-Sep 2026	Jan-Sep 2025 ²⁾	Δ%	LTM ¹⁾	2025 ²⁾
BEV								
EX30	23.3	18.1	29	63.8	54.0	18	88.6	78.8
EX40	13.2	9.5	39	38.4	29.2	32	53.2	44.0
EC40	2.1	2.4	-13	7.0	9.0	-22	9.8	11.8
EX90	3.8	4.7	-20	9.7	12.5	-23	13.5	16.3
ES90	1.3	—	—	3.8	—	—	4.1	0.3
EX60	1.3	—	—	1.5	—	—	1.5	—
EM90	0.1	0.3	-59	0.3	0.6	-52	0.5	0.8
Non-BEV								
XC60	36.1	53.0	-32	127.5	172.1	-26	183.5	228.1
XC40	23.5	27.9	-16	78.8	91.5	-14	110.3	122.9
XC90	19.7	22.9	-14	70.2	75.8	-7	97.2	102.7
XC70	4.9	1.1	348	16.1	1.1	1,364	28.8	13.9
V60	4.3	5.3	-18	15.5	20.9	-26	21.7	27.0
S90	4.0	5.5	-27	10.6	18.4	-42	17.2	25.0
S60	3.5	5.9	-40	16.0	18.9	-15	22.3	25.3
V90	0.1	2.0	-94	0.9	6.9	-88	2.1	8.1
Total	141.3	158.5	-11	460.0	510.8	-10	654.3	705.1

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

1) Last Twelve Months.

2) Previous retail delivery figures in China were slightly affected by a reporting data error. Following a data correction, retail sales figures for prior periods have been revised.



Third quarter financial summary

Income and result

The comparative figures refer to the consolidated income statement of the third quarter 2025, unless otherwise stated.

Revenue

Volvo Cars' revenue amounted to SEK 66.9 (86.4) bn and wholesale volume declined by 19% to 130.8 (161.0) thousand cars. The decrease in revenue was primarily driven by lower volume of SEK –10.7 bn, unfavourable sales mix and pricing of SEK –3.5 bn, lower sales of licences of SEK –1.3 bn and revaluation of US CAFE credits of SEK –1.1 bn. Foreign exchange rates had a negative impact on revenue of SEK –0.7 bn. For the full revenue bridge, see the table to the right.

Operating income (EBIT)

EBIT amounted to SEK –5.6 (6.4) bn, corresponding to a margin of –8.4 (7.4)%. EBIT included Volvo Cars' share of Polestar's losses in the second quarter of SEK –0.9 (—) bn, and items affecting comparability of SEK –1.1 (0.5) bn. EBIT excl. share of income in JVs and associates and items affecting comparability amounted to SEK –3.7 (5.8) bn, corresponding to a margin of –5.6 (6.7)%. The decrease was mainly attributable to sales mix and pricing, lower volumes, sales of licences and foreign exchange rate effects. Further, negative lithium hedge impacts on lithium carbonate in the quarter was SEK –0.5 bn. These effects were partly offset by continued cost efficiencies within indirect costs.

Indirect costs decreased primarily due to lower fixed manufacturing and selling expenses, partly offset by higher research and development expenses driven by a lower capitalisation rate and higher amortisation. Foreign exchange rates had a negative impact on EBIT of SEK –1.2 bn compared with the prior year. For the full EBIT bridge, see the table to the right.

Financial net and tax

Net financial items amounted to SEK –0.4 (–0.2) bn. The decrease was mainly explained by lower interest income. Income before tax shifted from a profit in the comparative period to a loss in the current period. The effective tax rate was 4.4 (27.2)%, and the change was mainly driven by the non-recognition of deferred tax assets on tax losses.

Net income

Net income was SEK –5.7 (4.5) bn, representing –8.6 (5.2)% of revenue. Basic earnings per share amounted to SEK –1.63 (1.75).

Changes to Revenue, SEK bn

Jul-Sep

Revenue Q3 2025	86.4
Volume	–10.7
Sales mix and pricing	–3.5
Sale of licences	–1.3
Foreign exchange rates	–0.7
Contract manufacturing	–0.6
Items affecting comparability	–1.1
Other ¹⁾	–1.6
Revenue Q3 2026	66.9
Change, %	–23

1) Including used cars, subscription cars as well as parts and accessories.

Changes to Operating income, SEK bn

Jul-Sep

EBIT Q3 2025	6.4
Volume	–1.9
Sales mix and pricing	–2.5
Variable cost ²⁾	–0.7
Indirect cost ³⁾	1.1
Sale of licences	–1.2
Depreciation and amortisation	–0.3
Foreign exchange rates	–1.2
Share of income in JVs and associates	–0.9
Items affecting comparability	–1.6
Other ⁴⁾	–2.8
EBIT Q3 2026	–5.6
Change, %	n/m

2) Changes in cost of sales not explained through other categories, driven by higher raw material costs.

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

4) Including parts and accessories, used cars, negative lithium hedge impacts, US tariffs on imported goods, component sales, contract manufacturing and emission credits.

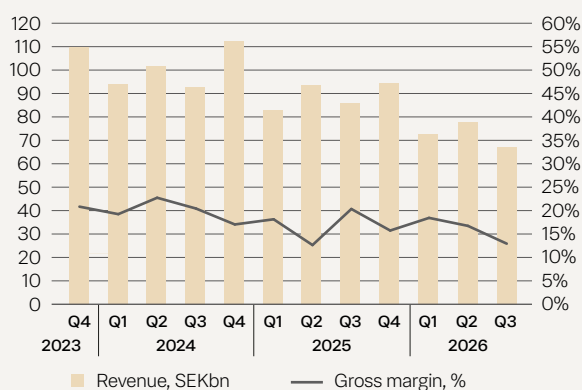
Items affecting comparability, SEK bn	Jul-Sep 2026	Jul-Sep 2025
Restructuring costs	—	0.5
Revaluation of US CAFE credits ⁵⁾	–1.1	—
Total	–1.1	0.5

5) For more information, see Note 1 – Accounting policies.

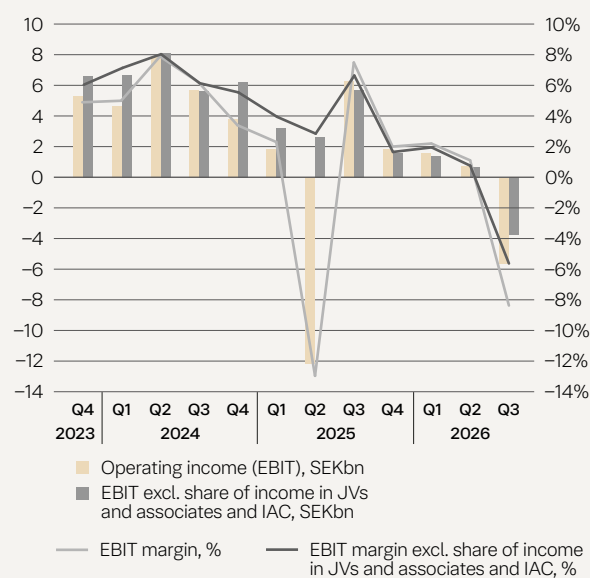


	3 Months			9 Months			Full year
	Jul-Sep 2026	Jul-Sep 2025	Δ%	Jan-Sep 2026	Jan-Sep 2025	Δ%	2025
Research and development, SEK m							
Research and development spending	-5,265	-5,484	-4.0	-17,240	-19,893	-13.3	-26,378
Capitalised product development costs	2,669	3,473	-23.2	8,830	12,152	-27.3	15,855
Amortisation of capitalised product development costs	-2,621	-2,049	27.9	-7,133	-6,137	16.2	-8,171
Impairment of capitalised product development costs	-62	—	—	-64	-7,373	-99.1	-7,373
Research and development expenses	-5,279	-4,060	30.0	-15,607	-21,251	-26.6	-26,067

Revenue & Gross Margin



Operating Income (EBIT) & EBIT Margin



Cash Flow

The comparative figures for balance sheet items refer to the consolidated balance sheet of 31 December 2025, unless otherwise stated. The comparative figures for the cash flow items refer to the consolidated cash flow statement for the third quarter 2025, unless otherwise stated.

Total cash and cash equivalents amounted to SEK 32.3 (57.6) bn. Net cash was SEK 1.0 (26.9) bn, primarily driven by working capital. Liquidity amounted to SEK 55.0 (80.8) bn, including undrawn credit facilities of SEK 22.7 (23.3) bn, providing financial flexibility.

Cash flow from operating activities

Cash flow from operating activities amounted to SEK –4.0 (2.7) bn. The amount comprises operating income of SEK –5.6 (6.4) bn, adjusted for depreciation and amortisation of SEK 6.5 (6.2) bn, along with income tax paid of SEK –0.5 (–1.0) bn. For a complete reconciliation of operating cash flow, refer to the consolidated cash flow statement on page 20.

The change in working capital amounted to SEK –3.6 (–5.5) bn, improving year-on-year, supported by continued focus on cash actions despite a challenging operating environment. Inventory movements contributed SEK 0.9 (3.3) bn, in line with prevailing market conditions and seasonal patterns, while accounts receivable changed by SEK 2.2 (–3.8) bn, reflecting the underlying sales development. These effects were partly offset by a change in accounts payable of SEK –4.0 (—) bn, reflecting the development in production levels. Other working capital assets/liabilities changed by SEK –2.5 (–4.5) bn, mainly attributable to accruals.

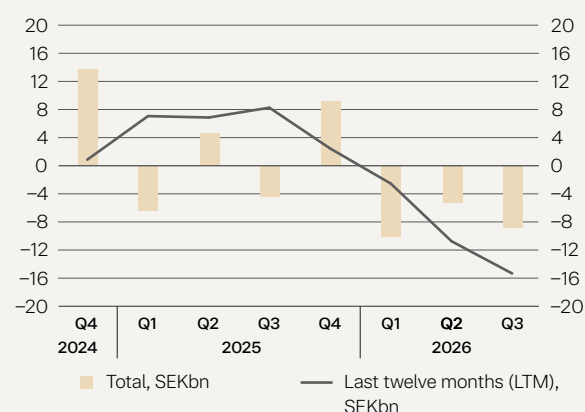
Cash flow from investing activities

Cash flow from investing activities amounted to SEK –4.9 (–7.1) bn, reflecting lower investments in tangible and intangible assets. Cash flow from investments in intangible assets amounted to SEK –2.8 (–4.0) bn, reflecting continued investments in upcoming car models and technologies, including electrification and ADAS, to support future competitiveness, scalability and cost efficiency. Investments in tangible assets totalled SEK –2.7 (–5.0) bn, primarily related to product investments in the new SPA3 platform and the new manufacturing plant in Kosice, partly offset by EU government grants of SEK 1.3 bn in Slovakia.

Cash flow from financing activities

Cash flow from financing activities amounted to SEK –0.6 (–0.9) bn, primarily reflecting repayments of interest-bearing liabilities of SEK –0.6 (–0.5) bn and scheduled repayments of liabilities to credit institutions of SEK –3.8 (–0.1) bn, offset by proceeds from credit institutions of SEK 3.7 (0.1) bn.

Cash flow from Operating and Investing activities



	Q3 2026	Q3 2025
Cash flow before interest and tax, SEK bn		
EBIT	-5.6	6.4
Depreciation and amortisation	6.5	6.2
Change in working capital	-3.6	-5.5
Inventories	0.9	3.3
Accounts payable	-4.0	—
Other working capital assets/liabilities	-2.5	-4.5
Other operating working capital	2.0	-4.3
Net investments in tangible and intangible assets	-4.9	-8.7
Other	-0.9	-1.9
Cash flow before interest and tax	-8.5	-3.4
Items affecting comparability	1.1	-0.5
Adjusted cash flow before interest and tax	-7.4	-3.9

First nine months

Income and result

Revenue

Volvo Cars' revenue amounted to SEK 217.2 (262.9) bn and wholesale volume declined by 9% to 456.6 (501.8) thousand cars. The decrease in revenue was primarily explained by lower volume of SEK –15.2 bn, unfavourable sales mix and pricing of SEK –10.0 bn, unfavourable foreign exchange rates of SEK –9.2 bn due to a stronger SEK and the non-recurrence of prior-year sales of subscription car portfolios of SEK 4.4 bn. Further, revenue from emission credits amounted to SEK 0.5 (2.4) bn and included an item affecting comparability of SEK –1.1 (—) bn. The negative effects were partly offset by increased sales of parts and accessories as well as used cars. For the full revenue bridge, see the table to the right.

Operating income (EBIT)

EBIT amounted to SEK –3.2 (–1.6) bn, corresponding to a margin of –1.5 (–0.6)%. EBIT excl. share of income in JVs and associates and items affecting comparability amounted to SEK –1.6 (10.3) bn, corresponding to a margin of –0.8 (3.9)%. The decrease was mainly attributable to adverse sales mix and pricing, lower volumes, sales of licences as well as depreciation and amortisation. 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 the result of 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 and higher amortisation, mitigated by lower overall research and development spending. Foreign exchange rates had a negative impact on EBIT of SEK –1.0 bn compared with the prior year. For the full EBIT bridge, see the table to the right.

Financial net and tax

Net financial items amounted to SEK 0.0 (–0.8) bn. The increase was mainly explained by positive effects from the market valuation of holdings and a convertible loan. The effective tax rate was –47.2 (–9.2)%, mainly due to 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 –4.6 (–2.6) bn, representing –2.1 (–1.0)% of revenue. Basic earnings per share amounted to SEK –0.66 (–0.37).

Changes to Revenue, SEK bn	Jan–Sep
Revenue in 2025	262.9
Volume	–15.2
Sales mix and pricing	–10.0
Sale of licences	–1.4
Foreign exchange rates	–9.2
Contract manufacturing	–1.3
Items affecting comparability	–1.1
Other ¹⁾	–7.5
Revenue in 2026	217.2
Change, %	–17

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

Changes to Operating income, SEK bn	Jan–Sep
EBIT Jan-Sep 2025	–1.6
Volume	–2.9
Sales mix and pricing	–7.3
Variable cost ²⁾	3.1
Indirect cost ³⁾	3.1
Sale of licences	–1.2
Depreciation and amortisation	–1.2
Foreign exchange rates	–1.0
Share of income in JVs and associates	–0.9
Items affecting comparability	11.3
Other ⁴⁾	–4.6
EBIT Jan-Sep 2026	–3.2
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 parts and accessories, used cars, negative lithium hedge impacts, US tariffs on imported goods, component sales, contract manufacturing and emission credits.

Items affecting comparability, SEK bn	Jan–Sep 2026	Jan–Sep 2025
Impairment charge for the EX90 and ES90 platform	—	–11.4
Restructuring costs	—	–0.9
Revaluation of US CAFE credits ⁵⁾	–1.1	—
Total	–1.1	–12.4

5) For more information, see Note 1 – Accounting policies.

Cash flow

Total cash and cash equivalents amounted to SEK 32.3 (57.6) bn. Net cash was SEK 1.0 (26.9) bn, primarily driven by working capital. Liquidity amounted to SEK 55.0 (80.8) bn, which includes undrawn credit facilities of SEK 22.7 (23.3) bn, providing financial flexibility.

Cash flow from operating activities was negative, amounting to SEK –3.5 (18.7) bn. The change in working capital amounted to SEK –11.2 (–0.9) bn, driven primarily by inventory SEK –14.2 (–1.1) bn, largely reflecting the planned inventory build-up at the Torslanda plant to support full-year sales and demand, with inventory levels also reflecting the timing of production and deliveries.

Cash flow from investing activities decreased to SEK –20.5 (–25.1) bn, reflecting lower investments in tangible and intangible assets. The reduction reflects continued discipline in non-product-related investments, as well as the finalisation of investments in cars now in production and a shift towards future car models and new production plants. The reduction in investment levels is expected to continue, as a result of continued focus on capital discipline. The comparative period also 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 –2.2 (3.1) bn, primarily reflecting higher repayments of liabilities of SEK –9.3 (–7.7) bn and lower proceeds from credit institutions and bond issuance of SEK 7.3 (10.3) bn.

Equity

Total equity decreased to SEK 144.2 (148.4) bn. The change is mainly attributable to net income amounting to SEK –4.6 bn, partly offset by a positive effect on other comprehensive income of SEK 0.4 bn. This resulted in an equity ratio of 38.4 (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 2.1 bn (net of tax). Remeasurements of provisions for post-employment benefits had an effect of SEK 1.1 bn (net of tax). The change in fair value of cash flow hedge reserve related to currency and commodity price risks had a negative effect of SEK –2.8 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 25.

Employees

During the first nine months of 2026, Volvo Car Group employed 39.3 (43.0) thousand full-time employees (FTEs) and 2.0 (2.5) 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 remain high. The risks of further impact on demand from fluctuating interest rate levels, tariffs and lower consumer confidence remain at an elevated level.

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.

V O L V O



Consolidated Income Statements

SEK m	Note	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025	Full year 2025
Revenue	2	66,896	86,439	217,185	262,879	357,263
Cost of sales		-58,184	-68,844 ¹⁾	-181,944	-217,602 ¹⁾	-297,042 ¹⁾
Gross income		8,712	17,594	35,241	45,277	60,221
Research and development expenses		-5,279	-4,060 ¹⁾	-15,607	-21,251 ¹⁾	-26,067 ¹⁾
Selling expenses		-5,043	-5,192	-15,005	-17,402	-23,213
Administrative expenses		-2,470	-2,075	-7,029	-7,717	-10,476
Other operating income and expenses		-764	-12 ¹⁾	-344	-965 ¹⁾	-816 ¹⁾
Share of income in joint ventures and associates		-748	178	-407	475	654
Operating income		-5,592	6,433	-3,151	-1,583	303
Interest income and similar credits		325	500	1,104	1,437	1,929
Interest expenses and similar charges		-345	-453	-1,056	-964	-1,251
Other financial income and expenses	3	-384	-287	-17	-1,288	-1,647
Income before tax	4	-5,995	6,193	-3,119	-2,398	-666
Income tax		265	-1,682	-1,471	-220	-2,302
Net income		-5,730	4,511	-4,590	-2,618	-2,968
Net income attributable to						
Owners of the parent company		-4,824	5,195	-1,957	-1,113	174
Non-controlling interests		-906	-684	-2,633	-1,505	-3,142
Basic earnings per share, SEK	5	-1.63	1.75	-0.66	-0.37	0.06
Diluted earnings per share, SEK	5	-1.63	1.75	-0.66	-0.37	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	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025	Full year 2025
Net income for the period	-5,730	4,511	-4,590	-2,618	-2,968
Other comprehensive income					
<i>Items that will not be reclassified subsequently to income statement:</i>					
Remeasurements of provisions for post-employment benefits	1,196	1,290	1,340	1,381	2,403
Tax on items that will not be reclassified to income statement	-259	-256	-278	-277	-496
<i>Items that have been or may be reclassified subsequently to income statement:</i>					
Translation difference on foreign operations	816	-231	2,579	-4,158	-4,646
Translation difference of hedge instruments of net investments in foreign operations	-284	96	-557	492	749
Change in fair value of cash flow hedge related to currency and commodity price risks	-1,937	617	-3,474	6,014	8,591
Tax on items that have been or may be reclassified to income statement	104	-146	831	-1,340	-1,924
Other comprehensive income, net of income tax	-364	1,370	441	2,112	4,677
Total comprehensive income for the period	-6,094	5,881	-4,149	-506	1,709
Total comprehensive income attributable to					
Owners of the parent company	-5,130	6,572	-1,448	1,557	5,397
Non-controlling interests	-964	-691	-2,701	-2,063	-3,688
	-6,094	5,881	-4,149	-506	1,709

Consolidated Balance Sheets

SEK m	Note	30 Sep 2026	31 Dec 2025
ASSETS			
Non-current assets			
Intangible assets		83,997	82,965
Tangible assets		107,145	99,391
Investments in joint ventures and associates	4	9,605	7,003
Other long-term securities holdings	1,3	8,753	10,454
Deferred tax assets		8,411	8,363
Other non-current interest-bearing receivables		1,277	1,235
Non-current derivative assets	3	662	1,743
Other non-current assets		4,781	4,217
Total non-current assets		224,630	215,371
Current assets			
Inventories		78,199	59,024
Accounts receivable	4	19,985	21,241
Current tax assets		2,013	1,284
Current derivative assets	3	2,260	4,923
Other current assets	4	15,738	13,764
Marketable securities	3	—	1
Cash and cash equivalents	3	32,272	57,564
Total current assets		150,467	157,801
TOTAL ASSETS		375,097	373,172
EQUITY & LIABILITIES			
Equity			
Equity attributable to owners of the parent company		145,618	147,079
Non-controlling interests		-1,402	1,299
Total equity		144,216	148,378
Non-current liabilities			
Provisions for post-employment benefits		4,643	5,853
Deferred tax liabilities		8,422	9,864
Other non-current provisions		8,503	8,528
Liabilities to credit institutions	3	8,507	6,723
Non-current bonds	3	22,347	21,645
Non-current contract liabilities to customers		9,447	8,605
Other non-current interest-bearing liabilities		5,555	5,355
Non-current derivative liabilities	3	735	253
Other non-current liabilities		7,195	6,714
Total non-current liabilities		75,354	73,540
Current liabilities			
Provisions, current		6,418	8,356
Liabilities to credit institutions	3	693	922
Current bonds	3	—	1,500
Current contract liabilities to customers		32,739	31,264
Accounts payable	3,4	54,532	57,768
Current tax liabilities		1,049	1,322
Other current interest-bearing liabilities		1,616	1,570
Current derivative liabilities	3	2,802	485
Other current liabilities	4	55,677	48,067
Total current liabilities		155,527	151,254
TOTAL EQUITY & LIABILITIES		375,097	373,172

Consolidated Statement of Changes in Equity

SEK m	30 Sep 2026	31 Dec 2025
Opening balance	148,378	142,199
Net income for the period	-4,590	-2,968
Other comprehensive income, net of income tax	441	4,677
Total comprehensive income	-4,149	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	69	126
Share-based payments	-82	-56
Transactions with owners	-13	4,470
Closing balance	144,216	148,378
Attributable to		
Owners of the parent company	145,618	147,079
Non-controlling interests	-1,402	1,299
Closing balance	144,216	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	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025	Full year 2025
OPERATING ACTIVITIES					
Operating income	-5,592	6,433	-3,151	-1,583	303
Depreciation and amortisation of non-current assets	6,529	6,189	18,872	18,004	23,945
Dividends received from joint ventures and associates	308	96	322	205	205
Interest and similar items received	325	500	1,104	1,437	1,929
Interest and similar items paid	-179	-375	-1,238	-988	-1,538
Other financial items	165	-316	-4	-1,691	-1,963
Income tax paid	-456	-1,005	-2,805	-3,276	-3,724
Adjustments for other non-cash items	-1,518	-3,279	-5,488	7,565	6,281
	-418	8,243	7,612	19,673	25,438
Movements in working capital					
Change in inventories	941	3,298	-14,178	-1,104	2,353
Change in accounts receivable	2,193	-3,811	2,601	-2,211	-84
Change in accounts payable	-4,028	34	-4,858	2,402	7,205
Change in provisions	-347	-317	-2,388	-1,816	-1,867
Change in contract liabilities to customers	116	-217	3,106	-324	644
Change in other working capital	-2,465	-4,485	4,565	2,108	936
Cash flow from movements in working capital	-3,590	-5,498	-11,152	-945	9,187
Cash flow from operating activities	-4,008	2,745	-3,540	18,728	34,625
INVESTING ACTIVITIES					
Investments in shares and participations	-4	—	-9	289	280
Divestment of shares and participations	—	-109	43	5,528	7,716
Loans to affiliated companies	—	—	—	-2,727 ¹⁾	-2,727 ¹⁾
Repayment of loans from affiliated companies	—	1,688 ²⁾	—	1,688 ²⁾	1,688 ²⁾
Investments in intangible assets	-2,814	-3,973	-9,099	-13,615	-17,252
Investments in tangible assets	-2,749	-4,980	-12,645	-16,870	-22,825
Disposal of tangible assets	688	270	1,180	537	872
Other	21	33	9	44	72
Cash flow from investing activities	-4,858	-7,071	-20,521	-25,126	-32,176
Cash flow from operating and investing activities	-8,866	-4,326	-24,061	-6,399	2,449
FINANCING ACTIVITIES					
Proceeds from credit institutions	3,740	105	7,275	4,795	4,947
Proceeds from bond issuance	—	-67	—	5,476	5,476
Acquisition of treasury shares	—	—	—	-219	-219
Repayment of bond	—	—	-1,500	-5,732	-5,732
Repayment of liabilities to credit institutions	-3,846	-59	-6,190	-403	-1,631
Repayment of interest-bearing liabilities	-558	-533	-1,623	-1,592	-2,108
Investments in/maturities of marketable securities	—	—	1	—	-1
Other	48	-347	-177	808	996
Cash flow from financing activities	-616	-901	-2,214	3,133	1,728
Cash flow for the period	-9,482	-5,227	-26,275	-3,266	4,177
Cash and cash equivalents at beginning of period	41,420	56,239	57,564	56,373	56,373
Exchange difference on cash and cash equivalents	334	-364	983	-2,459	-2,986
Cash and cash equivalents at end of period	32,272	50,648	32,272	50,648	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.

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

Note 1 – Accounting policies

This interim report has been prepared in accordance with IAS 34 – Interim Financial Reporting and the Swedish Annual Accounts Act (1995:1554), with the required disclosures made in the notes to the financial statements and elsewhere in the interim report. The Volvo Car Group applies 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.

Emission credits

In line with the accounting policies explained in the Annual Report 2025, Volvo Cars recognises as revenue the fair value of emission credits earned during the period, the credits are subsequently valued at the lower of cost or net realisable value. During Q3 2026, changes to the U.S. Corporate Average Fuel Economy (CAFE) regulations were enacted with retroactive effect. Following this change, Volvo Cars recorded a net realisable value adjustment of SEK 1,100 m, reducing the inventory of emission credits. The adjustment is recognised in revenue. CAFE credits are generated under the U.S. fuel economy regulatory framework. They may be earned, purchased, sold or utilised to meet applicable compliance requirements.

Fixed assets

Impairment assessments of fixed assets have been updated during the period. While no impairment charge was recognised, the headroom for certain China-related platforms has decreased compared with previous assessments.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 – Presentation and Disclosure in Financial Statements is effective for annual reporting periods beginning on or after 1 January 2027. The Group is currently assessing the impact of the new standard on the presentation and disclosures in the consolidated financial statements.

Note 2 – Revenue

Revenue per country SEK m	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025	Full year 2025
US	9,708	14,471	37,182	45,989	65,019
Sweden	8,609	12,916	29,397	34,884	46,757
United Kingdom	8,192	8,144	22,964	26,901	34,627
China	7,498	14,075	24,972	41,847	55,661
Germany	4,411	5,869	15,709	20,470	28,569
Netherlands	2,381	2,396	6,695	8,111	11,426
Türkiye	2,075	1,891	5,644	5,035	7,848
Canada	2,063	2,127	4,821	5,077	6,699
Norway	2,003	2,294	6,201	6,497	9,362
South Korea	1,595	1,761	4,444	4,321	6,005
Other markets	18,361	20,495	59,156	63,747	85,290
Total	66,896	86,439	217,185	262,879	357,263

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

Revenue per category SEK m	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025	Full year 2025
Sales of new cars	44,964	59,596	149,953	183,468	250,468
Sales of used cars	6,439	7,965	20,243	23,044	32,509
Sales of parts and accessories	10,189	9,832	29,637	28,765	38,835
Revenue from subscription, leasing and rental business	1,599	1,672	3,854	4,563	5,675
Sales of licences and royalties	191	1,420	418	1,719	1,936
Contract manufacturing	2,765	3,170	6,970	8,214	10,249
Emission credits	-359	782	484	2,438	3,501
Other revenue ¹⁾	1,108	2,002	5,626	10,668	14,090
Total	66,896	86,439	217,185	262,879	357,263

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

Timing of revenue recognition SEK m	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025	Full year 2025
At the point of delivery	64,059	83,168	209,685	253,925	345,635
Over the contract term	2,837	3,271	7,500	8,954	11,628
Total	66,896	86,439	217,185	262,879	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 Sep 2026		31 Dec 2025	
SEK m	Measurement level	Carrying value	Fair value	Carrying value	Fair value
Financial assets carried at amortised cost					
Accounts receivable	—	19,985	19,985	21,241	21,241
Other interest-bearing receivables, non-current and current ¹⁾	—	7,258	7,266	5,022	5,030
Cash and cash equivalents	—	32,220	32,335	57,564	57,578
		59,463	59,586	83,827	83,849
Financial assets carried at fair value through profit or loss					
Other long-term securities holdings		8,753	8,753	10,454	10,454
of which convertible loan ²⁾	2	6,966	6,966	9,177	9,177
of which equity instruments	3	1,787	1,787	1,277	1,277
Non-current and current derivative assets		2,922	2,922	6,666	6,666
of which commodity derivatives – designated hedging instruments	2	1,745	1,745	2,920	2,920
of which currency derivatives – designated hedging instruments	2	1,052	1,052	3,447	3,447
of which interest rate swap derivatives – designated hedging instruments	2	82	82	168	168
of which currency derivatives – not designated hedging instruments	2	43	43	131	131
		11,675	11,675	17,120	17,120
Financial assets carried at fair value through other comprehensive income					
Marketable securities	2	—	—	1	1
Cash and cash equivalents	2	52	52	—	—
		52	52	1	1
Financial liabilities carried at amortised cost					
Accounts payable	—	54,532	54,532	57,768	57,768
of which account payable under supplier financing programmes	—	3,902	3,902	4,434	4,434
of which suppliers received payment from financial institution	—	3,053	—	4,033	—
Non-current and current bonds and liabilities to credit institutions ³⁾	—	31,548	31,567	30,790	31,797
Other interest-bearing liabilities, non-current and current ⁴⁾	—	33,577	33,577	22,147	22,147
of which account payable under supplier financing programmes	—	124	124	712	712
of which suppliers received payment from financial institution	—	124	—	712	—
		119,657	119,676	110,705	111,712
Financial liabilities carried at fair value through profit or loss					
Non-current and current derivative liabilities		3,536	3,536	738	738
of which commodity derivatives – designated hedging instruments	2	1,552	1,552	249	249
of which currency derivatives – designated hedging instruments	2	1,416	1,416	269	269
of which currency derivatives – not designated hedging instruments	2	210	210	57	57
of which interest rate swap derivatives – designated hedging instruments	2	294	294	57	57
of which interest rate swap derivatives – not designated hedging instruments	2	64	64	106	106

1) Includes items presented as Other non-current and current assets on the balance sheet, amounted to SEK 5,981 (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 –266 (96) 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 28,048 (18,480) m. Includes also items presented as Other non-current and current liabilities in the balance sheet, amounting to SEK 5,528 (3,613) m. Excluding the lease liability which is presented as Other non-current and current liabilities in the balance sheet amounting to SEK 7,071 (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 Sep 2026	31 Dec 2025
	Equity instruments	Equity instruments
Opening balance	1,277	1,473
Investment	5	50
Impairment	—	-2
Changes in fair value recognised in Other financial income and expenses	401	-52
Exchange rate differences	104	-192
Total	1,787	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

In September, Volvo Cars and Geely Auto finalised an agreement under which Volvo Cars will become the exclusive distributor of Lynk & Co cars in Europe from January 2027.

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	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025	Full year 2025
Related companies ¹⁾²⁾	3,205	5,278	8,436	12,035	15,792
of which Polestar Automotive Holding UK Group	3,148	5,001	8,059	10,958	13,730
Joint ventures and associated companies	2,741	3,017	7,902	10,581	13,121
of which Volvo Car Financial Services UK Ltd	2,238	2,568	6,457	9,290	11,276

Purchases of goods, services and other

SEK m	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025	Full year 2025
Related companies ¹⁾²⁾	-8,486	-10,252	-27,159	-28,695	-37,095
of which Zhangjiakou Geely New Energy Automobile Co., Ltd	-3,478	-4,078	-9,516	-6,013	-9,089
of which Aurobay Sweden AB	-1,673	-2,321	-7,586	-8,869	-11,561
of which Quzhou Jidian Electric Vehicle Technology Co., Ltd	-1,402	—	-2,924	—	—
of which Zhangjiakou Aurobay Powertrain Manufacturing Co., Ltd	-411	-725	-1,642	-2,474	-3,110
of which Viridi E-Mobility Technology (Ningbo) Co., Ltd	-280	-1,300	-874	-2,643	-3,360
of which Aurobay (Changxing) Automatic Transmission Co., Ltd	-267	-684	-1,011	-1,591	-1,745
of which Zhejiang Geely Automobile Co., Ltd	-152	-3	-601	-3,249	-3,270
Joint ventures and associated companies	-331	-294	-936	-896	-1,188

SEK m	Receivables ³⁾		Payables ³⁾	
	30 Sep 2026	31 Dec 2025	30 Sep 2026	31 Dec 2025
Related companies ¹⁾²⁾	15,272	21,091	9,977	12,344
Joint ventures and associated companies	1,923	1,390	163	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 8,227 (10,800) m. Non-current part of payables amounts to SEK — (1) m.

Note 5 – Earnings per share

Basic earnings per share, SEK	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025	Full year 2025
Net income attributable to owners of the parent company, SEK m	-4,824	5,195	-1,957	-1,113	174
Net income attributable to owners of ordinary shares in the parent company, SEK m	-4,824	5,195	-1,957	-1,113	174
Weighted average number of ordinary shares outstanding, basic ¹⁾	2,966,404,146	2,964,618,288	2,965,437,181	2,969,798,516	2,968,505,485
Basic earnings per share, SEK	-1.63	1.75	-0.66	-0.37	0.06
Diluted earnings per share, SEK	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025	Full year 2025
Net income in basic earnings per share, SEK m	-4,824	5,195	-1,957	-1,113	174
Net income in diluted earnings per share, SEK m	-4,824	5,195	-1,957	-1,113	174
Weighted average number of ordinary shares outstanding, basic ¹⁾	2,966,404,146	2,964,618,288	2,965,437,181	2,969,798,516	2,968,505,485
Dilutive effect for share-based payment programmes	606,426	2,147,571	714,202	2,253,468	2,431,998
Weighted average number of ordinary shares outstanding, diluted	2,967,010,572	2,966,765,859	2,966,151,383	2,972,051,984	2,970,937,483
Diluted earnings per share, SEK	-1.63	1.75	-0.66	-0.37	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

In October, the Group decided on a restructuring programme, expected to result in restructuring costs of approximately SEK 0.6 bn. A provision related to the programme will be recognised in the fourth quarter.

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	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025	Full year 2025
Administrative expenses	-11	-7	-32	-27	-38
Operating loss	-11	-7	-32	-27	-38
Interest income and similar credits	381	378	1,108	1,048	1,421
Interest expenses and similar charges	-277	-277	-787	-734	-1,006
Other financial income and expenses ¹⁾	-6	-8	-17	-21	3,172
Income before tax	87	86	272	266	3,549
Income tax	-18	-20	-57	-71	806
Net income	69	66	215	195	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 Sep 2026	31 Dec 2025
ASSETS		
Non-current assets	52,356	49,798
Current assets	16,615	22,147
TOTAL ASSETS	68,971	71,945
EQUITY & LIABILITIES		
Equity		
Restricted equity	61	61
Non-restricted equity	41,294	41,092
Total equity	41,355	41,153
Non-current liabilities	26,751	24,117
Current liabilities	865	6,675
Total liabilities	27,616	30,792
TOTAL EQUITY & LIABILITIES	68,971	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.

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 percentage 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 (IAC)

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 excl. share of income in JVs and associates and items affecting comparability

This measure is defined as EBIT adjusted for items affecting comparability and excluding the result from share of income in JVs and associates. It presents the profitability of the underlying operations and can be used in making comparisons between reporting periods.

EBIT margin excl. share of income in JVs and associates and items affecting comparability

This margin is defined as EBIT adjusted for items affecting comparability and excluding the result from share of income in JVs and associates, as a percentage of revenue. It presents the profitability of the underlying operations in relation to the recognised revenue earned by Volvo Car Group during the accounting period.

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 percentage 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.

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	Jul-Sep 2026	Jul-Sep 2025	Full year 2025
Revenue	66,896	86,439	357,263
Cost of sales	-58,184	-68,844	-297,042
Research and development expenses	-5,279	-4,060	-26,067
Operating income (EBIT)	-5,592	6,433	303
EBIT excl. share of income in JVs and associates and items affecting comparability	-3,744	5,762	12,020
EBIT excl. items affecting comparability	-4,492	5,940	12,556
EBITDA	2,037	12,129	35,679
Net income	-5,730	4,511	-2,968
Gross margin, %	13.0	20.4	16.9
Gross margin, excl. items affecting comparability, %	14.7	20.4	18.0
EBIT margin, %	-8.4	7.4	0.1
EBIT margin excl. share of income in JVs and associates and items affecting comparability, %	-5.6	6.7	3.4
EBIT margin excl. items affecting comparability, %	-6.7	6.9	3.5
EBITDA margin, %	3.0	14.0	10.0

Gothenburg, 22 October 2026

Håkan Samuelsson

President and CEO

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

Contact	About this report
Analysts and investors Erik Kronqvist Head of Investor Relations +46 31-793 94 00 investors@volvocars.com Journalists and media Volvo Cars Media Relations +46 31-59 65 25 media@volvocars.com	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.
Financial Calendar & quarterly presentation Webcast and quarterly presentation At 08:00 CEST on 23 October, 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 4 February 2027: Q4 and full year 2026 report 23 April 2027: Q1 2027 report 27 April 2027: Annual General Meeting 21 July 2027: Q2 2027 report	

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