

## Press Release

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# Volvo Cars raises EUR 500m through new green bond issuance

Volvo Cars today successfully raised EUR 500 million from a diverse group of investors by issuing its fifth green bond. The bond, which demonstrates the company's commitment to sustainable financing, was oversubscribed more than four times, and highlights strong investor support for Volvo Cars' electrification and sustainability ambitions.

The bond issuance further supports the company's long-term aim to have its outstanding debt linked to the Green Financing Framework, or in a sustainability-linked format.

The proceeds will be used to fund the company's ambition to be a leading player in the premium electric car segment and achieve net-zero greenhouse gas emissions by 2040. This includes funding research and development of upcoming electric cars and platforms, and related manufacturing processes.

Electrification is one of the main pillars of Volvo Cars' transformation agenda. With a fifth of its global sales consisting of fully electric cars, Volvo Cars continues to lead the fully electric transition among its premium legacy competitors. In addition, the company is committed to consistently reducing direct and indirect emissions from its cars.

The issued bond adheres to Volvo Cars' Green Financing Framework, which defines how it uses green financing instruments to support its ambitious sustainability strategy. The framework has been evaluated through Shades of Green, the methodology used by S&P Global for assessing green bond frameworks, and received the highest Dark Green rating.

*"The success of our green bond issuance underscores the strong support that our valued investors have in Volvo Cars and in our all-electric and software-defined future," says Fredrik Hansson, Chief Financial Officer at Volvo Cars. "All proceeds will be used for our existing and future electric car programmes and related manufacturing processes."*

The EUR 500m bond is issued under Volvo Cars' Euro Medium Term Note program. The bond matures in June, 2029 and pays a fixed coupon rate of 4.20 per cent and will be listed on the Luxembourg Stock Exchange.

Full details on the company's Green Financing Framework can be found [HERE](#).

### Notes to editor

With today's announcement, Volvo Cars will have in total five bonds outstanding with the following maturity profile:

- SEK 1.5bn Green bond issued in March 2023 and maturing in March 2026
- EUR 500m Green bond issued in October 2020 and maturing in October 2027
- EUR 500m Green bond issued in May 2022 and maturing in May 2028
- EUR 500m Green bond issued in June 2025 and maturing June 2029
- EUR 500m Green bond issued in May 2024 and maturing May 2030

In addition to the above, an existing EUR 500m bond matured earlier in January 2025.

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### **Volvo Cars in 2024**

*For the full year 2024, Volvo Car Group recorded a record-breaking core operating profit of SEK 27 billion. Revenue in 2024 amounted to an all-time high of SEK 400.2 billion, while global sales reached a record 763,389 cars.*

### **About Volvo Car Group**

*Volvo Cars was founded in 1927. Today, it is one of the most well-known and respected car brands in the world with sales to customers in more than 100 countries. Volvo Cars is listed on the Nasdaq Stockholm exchange, where it is traded under the ticker "VOLCAR B".*

*"For life. To give people the freedom to move in a personal, sustainable and safe way." This purpose is reflected in Volvo Cars' ambition to become a fully electric car maker and in its commitment to an ongoing reduction of its carbon footprint, with the ambition to achieve net-zero greenhouse gas emissions by 2040.*

*As of December 2024, Volvo Cars employed approximately 42,600 full-time employees. Volvo Cars' head office, product development, marketing and administration functions are mainly located in Gothenburg, Sweden. Volvo Cars' production plants are located in Gothenburg, Ghent (Belgium), South Carolina (US), Chengdu, Daqing and Taizhou (China). The company also has R&D and design centres in Gothenburg and Shanghai (China).*

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Descriptions and facts in this press material relate to Volvo Cars' international car range. Described features might be optional. Vehicle specifications may vary from one country to another and may be altered without prior notification.

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