



Volvo Cars expects reduced production due to temporary worsened semiconductor situation

Volvo Cars is experiencing a temporary worsened production situation, expected to last throughout the second quarter due to lack of a specific type of semi-conductor.

Over the past year, the auto industry has been impacted by the shortage of semi-conductors and Volvo Cars has previously communicated that it sees a gradual improvement in the supply of semi-conductors and production output month over month. However, due to this specific disturbance Volvo Cars now expects a temporary deviation from that trend.

Volvo Cars' expectation has been to grow its sales volumes for the full year 2022. The disturbance means the company now expects marginal growth in deliveries for the full year 2022, compared to 2021.

The expected disturbances in Volvo Cars' production are not related to the war in Ukraine as Volvo Cars has very limited direct relationships with suppliers in Ukraine. The war in Ukraine has resulted in increasing costs for raw material, energy and freights in the auto industry. Volvo Cars continue to work with pricing to mitigate the effects.

The supply chain constraints, including the ongoing impacts from Covid, are expected to remain a problem for the industry throughout 2022. Volvo Cars will work with suppliers and partners to resolve any disturbances to production and deliver vehicles to customers as soon as possible.

This disclosure contains information that Volvo Car AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 22-03-2022 16:30 CET.

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Volvo Cars in 2021

Volvo Car Group recorded an operating profit of 20.3 BSEK. Revenue in 2021 amounted to 282.0 BSEK, while global sales reached 698,700 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".

Volvo Cars aims to provide customers with the Freedom to Move in a personal, sustainable and safe way. This is reflected in its ambition to become a fully electric car maker by 2030 and in its commitment to an ongoing reduction of its carbon footprint, with the ambition to be a climate-neutral company by 2040.

As of December 2021, Volvo Cars employed approximately 41,000 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, Camarillo (US) and Shanghai (China).