



Volvo Cars supports the future growth of Polestar

Volvo Cars is acting on its commitment to support the growth and development of Polestar by providing financial support in the form of an 18-month term loan, amounting to a total of USD 800M. The loan includes an option for Volvo Cars to convert to equity on a pro rata basis in a potential future equity raise by Polestar.

The loan amount from Volvo Cars is on par with the direct and indirect financial and liquidity support that Polestar's other major shareholder, PSD Investment, is providing.

This package, alongside other planned financing activities by Polestar, provides the company with sufficient funds through 2023.

Volvo Cars established Polestar as a new electric vehicle focused brand and is the largest institutional shareholder in the company. Volvo Cars holding in Polestar amounts to 48.3 per cent.

"Polestar is our affiliate brand and an important business partner, as it plays a key role in our strategic direction to become fully electric by 2030 and shape the future of mobility," said Johan Ekdahl, Chief Financial Officer, Volvo Cars. He added, "The financial support provided by us along with Polestar's other main owner will ensure Polestar remains steadfast on further delivering on its ambitions as a performance EV car brand."

Volvo Cars strong balance sheet, liquidity and cash position allows Volvo Cars to support Polestar and at the same time, execute Volvo Cars' own long term growth and transformation plans.

Please see separate Polestar announcement.

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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).