

V O L V O



*For life. To give people
freedom to move in a personal,
sustainable and safe way.*

VOLVO CAR GROUP

INTERIM REPORT SECOND QUARTER 2023

Volvo Cars continued to deliver improved production and solid sales performance

APRIL–JUNE 2023

- Retail sales increased by 25% and reached 178.8 (143.0) thousand cars.
- Revenue increased by 43% to SEK 102.2 (71.3) bn, driven by higher volumes.
- Operating income (EBIT) was SEK 5.0 (10.8) bn, driven primarily by strong volume development but also positive exchange rate effects, but negatively affected by a non-recurring item amounting to SEK 0.9 bn, and that 2022 comparative figures were positively affected by the de-SPAC listing of Polestar. EBIT excluding share of income in JVs and associates was SEK 6.4 (4.6) bn. The underlying operating income, excluding non-recurring items and share of income in JVs and associates, was SEK 7.3 (4.6) bn.
- EBIT margin was 4.9 (15.1)%. EBIT margin excluding share of income in JVs and associates was 6.3 (6.5)% and EBIT margin, excluding a non-recurring item and share of income in JVs and associates, was 7.2 (6.5)%.
- Basic earnings per share was SEK 1.12 (3.00).
- Operating and investing cash flow was SEK 0.7 (–5.6) bn.
- Volvo Cars revealed the fully electric Volvo EX30.
- Volvo Cars published updated Green Financing Framework.
- Volvo Cars announced a redundancy programme including a reduction of approximately 1,300 office-based positions in Sweden.

SEKbn unless otherwise stated	3 Months			6 Months			12 Months	
	Apr–Jun 2023	Apr–Jun 2022	Δ%	Jan–Jun 2023	Jan–Jun 2022	Δ%	LTM	Full year 2022
Retail sales, k units ¹⁾	178.8	143.0	25.0	341.7	291.3	17.3	665.5	615.1
Revenue	102.2	71.3	43.3	197.9	145.6	35.9	382.4	330.1
Research and development expenses ²⁾	–3.4	–2.9	15.9	–6.3	–6.1	1.8	–11.6	–11.5
Operating income (EBIT) ³⁾	5.0	10.8	–53.8	10.1	16.8	–40.1	15.6	22.3
EBIT excl. share of income in JVs and associates ³⁾	6.4	4.6	39.4	12.7	10.5	21.5	20.0	17.9
EBIT excl. share of income in JVs and associates and restructuring costs	7.3	—	N/A	13.6	—	N/A	20.9	—
Net income ²⁾	3.5	9.0	–60.6	7.5	13.5	–44.3	11.0	17.0
Basic earnings per share, SEK ²⁾	1.12	3.00	–62.7	2.33	4.29	–45.7	3.27	5.23
EBITDA ³⁾	9.2	14.8	–37.9	18.4	24.8	–25.8	32.0	38.4
Cash flow from operating activities ²⁾	17.0	7.4	130.4	14.6	3.1	366.3	45.0	33.6
Cash flow from investing activities ²⁾	–16.3	–13.0	25.7	–31.4	–21.0	49.3	–49.9	–39.7
Gross margin, % ³⁾	19.0	19.8	–3.8	18.5	20.5	–9.9	17.5	18.3
EBIT margin, % ³⁾	4.9	15.1	–67.7	5.1	11.6	–55.9	4.1	6.8
EBIT margin excl. share of income in JVs and associates, % ³⁾	6.3	6.5	–2.7	6.4	7.2	–10.6	5.2	5.4
EBIT margin excl. share of income in JVs and associates and restructuring costs, %	7.2	—	N/A	6.9	—	N/A	5.5	—
EBITDA margin, % ³⁾	9.0	20.8	–56.7	9.3	17.1	–45.4	8.4	11.6

1) Non-financial operating metric.

2) IFRS measure.

3) Non-IFRS measure (alternative performance measure), see Alternative performance measures on page 28.

Full speed ahead in transformation with a solid business performance

Dear shareholders and members of our wider Volvo Cars community,

The second quarter of 2023 shows that the year is shaping up as planned. In these past three months we have continued to deliver on our ambitious transformation goals and made steady progress. At the same time, we also achieved a solid underlying business performance with increased sales and revenues. Overall our EBIT, excluding share of income in JVs and associates, for the quarter rose by 39 per cent, despite a non-recurring cost related to redundancies we announced in the quarter, which is part of securing a more efficient and sustainable cost base for the future. We are performing and transforming, while navigating the external challenges that have come our way.

An important marker of our transformation is our continued strong sales performance in electric cars, illustrating once again why we are among the fastest transformers in the industry. Sales of our fully electric models increased by 178 per cent year-on-year during the second quarter and accounted for 16 per cent of our total share. It's important to remember that our newly launched fully electric cars, the Volvo EX90 large SUV and EX30 small SUV models, are not yet in production so have not contributed to our performance so far in 2023. Once these new cars hit the roads, they will further boost our fully electric car sales towards our ambitious goal to sell only fully electric cars by 2030.

Our BEV margins were slightly impacted in this period because the lithium used in these cars was sourced when prices peaked during late 2022. Further, as we introduced new model year 2024 fully electric cars with a considerably better range than existing models, we proactively shifted out the inventory of model year 2023 cars. As we enter the second half of 2023 this dynamic will change, since we will not only benefit from lower lithium prices, but also realise the effects of increased pricing on MY2024 fully electric cars. Therefore, we expect BEV margins to improve in the coming quarters.

Last month we launched our first ever small SUV, the new fully electric Volvo EX30. The response to that car has been overwhelmingly positive and we are very grateful for the warm welcome it has received. So while the EX30 may be small, it represents a huge business opportunity. With this car, we enter an important new segment and customer demographic for the company and one that we expect to grow rapidly in the coming years. The EX30 will also boost our profitable growth in fully electric cars, with expected gross margins on the car in the range of 15 to 20 per cent, as was guided in connection with the launch. Both the EX30 and the larger EX90 are exciting steps into our future. They clearly demonstrate our course going forward: premium



electric cars, built on next-generation electric architectures with advanced battery and computing technology, as well as next level passive and active safety features.

As we prepare to launch more fully electric cars in coming years to join the EX30 and EX90 – one per year up until mid-decade – the wider industry also continues to embrace electrification rapidly. During the first five months of 2023, global electric car sales grew by almost 43 per cent. Meanwhile, sales of combustion engine cars grew by less than 4 per cent and continued to fall in terms of market share, as more and more consumers make the switch to battery power. Therefore, I'm confident that our strategy to be an early mover is the right one and that in a few years from now, we'll be one of the leaders in the premium fully electric segment.

To help boost the adoption of electric cars, we also want to make life with an electric car as easy as possible. With that in mind, the recent charging agreement we signed with Tesla is an important one. We were the first European car maker to sign a deal that gives current and future electric Volvo car drivers access to Tesla's Supercharger network across the United States, Canada, and Mexico. We know that one major inhibitor to more people making the shift to electric cars is access to easy and convenient charging infrastructure. This agreement is a major step in the right direction to increase access to fast charging infrastructure for our customers.

We also continued our commercial transformation this past quarter. We reached another key milestone in June

when the United Kingdom became our first market to fully transform from a traditional wholesale business to a direct consumer model that is designed around flexibility for the customer. The knowledge we gain from our UK commercial transformation will be crucial as we plan to make more markets fully direct in the coming years. We will do this together with our trusted retail partners. This will both improve the customer experience and make our commercial network more efficient, transparent and cost-effective.

Yet as we have made clear previously, to achieve our ambitions and remain truly competitive, a more efficient and sustainable cost base is crucial. In May, we increased the focus on our global cost optimisation and resource efficiency initiative that we launched late last year, including a global redundancy programme that includes approximately 1,300 office-based positions in Sweden. So, we will reduce costs and drive efficiencies across our global operations. The aim is to establish a more efficient and sustainable cost base for the future, by restructuring and changing ways of working in parts of the organisation, as well as focusing even more on securing the relevant skills we need to be successful.

Operating and financial performance

In terms of our operational performance during the second quarter, we recorded revenues of SEK 102 billion, an increase of 43 per cent versus the same period in 2022. We saw a solid global sales increase of 25 per cent to 179,000 cars sold, our strong performance in electrified car sales, as well as continued premium pricing in many of our markets.

Our sales performance was helped by improved production output in our factories. During the second quarter, we produced 50 per cent more cars than in the same period last year. This is a validation of the steps we introduced to make our supply chain more resilient, such as broadening our supplier base, improving performance and delivery from our suppliers, developing direct relationships with key semiconductor companies and foundries, and creating more transparency in our overall value chain.

As mentioned, our second-quarter EBIT excluding joint ventures and associates was weighed down by a non-recurring item of around SEK 0.9 billion related to the redundancy programme that was part of the enhanced cost efficiency initiative announced in May. Nevertheless, EBIT, excluding share of income in JVs and associates, still came in at SEK 6.4 billion, an increase of 39 per cent year-on-year. This resulted in an EBIT margin, excluding share of income in JVs and associates, of 6.3 per cent. Without the non-recurring item, our underlying EBIT margin was 7.2 per cent in the second quarter. This illustrates that the solid underlying performance from the first three months of the year continued during this past quarter.

Our efforts to reduce our CO₂ footprint per car also continued to progress. During the second quarter of the year, overall CO₂ emissions per car were 18.8 per cent lower compared with our 2018 benchmark, supporting our mid-decade ambition of a 40 per cent CO₂ reduction per car.

Looking ahead

2023 remains a crucial year in our transformation. With more new electric cars on the way and work ongoing on a new battery plant in Sweden and our planned new electric car factory in Slovakia, we are putting in place important building blocks for our next growth phase. We recently opened our new Tech Hub in Krakow, Poland, which will complement our existing ones in Stockholm and Lund in Sweden, and Bangalore in India. These Tech Hubs and our other R&D centers will help us deliver on our ambition to become a leader in future mobility, by creating a global powerhouse of next generation technology. We'll also continue our commercial transformation towards more direct business and improving customer experience.

More broadly speaking, we see supply and demand continue to normalise in the wider market, which brings some additional pricing pressure as price levels have also started to normalise in several markets. Yet while rising interest rates in some of our largest markets put pressure on the consumer and the overall market, demand for our cars continues to be healthy. And as with the EX90, the order intake for the EX30 has exceeded our ambitious projections. Assuming there are no further unexpected supply chain disruptions, we expect a solid double-digit growth in retail sales for the full year. We also expect the share of fully electric car sales to come in even higher than last year's full-year share of 11 per cent.

While the external environment remains turbulent, we see improvement on many indicators. Raw material prices are expected to continue to fall in the second half of this year, which should benefit us from a cost perspective and more specifically should improve margins on our fully electric cars. We've also improved our overall supply chain resilience and our semiconductor sourcing – the latter is illustrated by new strategic collaboration agreements that we recently signed with leading semiconductor suppliers. However, uncertainty remains and as such we remain vigilant.

To conclude: while we're not short of challenges to navigate, we're staying the course and continue to make progress towards our ambition to be a leader in next-generation mobility. The Volvo car of the future will be fully electric, be focused on next-level safety, contain advanced computing capability, will largely run on in-house developed software, and will improve over time thanks to regular over-the-air updates. The proof of a real transformation is in its execution and that is where our focus continues to be as we head into the second half of 2023.

Thank you for your continued support.

Jim Rowan

Chief Executive, Volvo Cars

Fastest transformer strategy progress

Our industry is changing, and we strive to be a leader in that change. Our fastest transformer strategy outlines how we plan to deliver on our mid-decade ambitions. The purpose of this section is to keep our stakeholders updated on this progress.

MID-DECADE AMBITIONS



Volvo Cars' market share per propulsion type ^{1) 2)}	Jan-May 2023	Jan-May 2022
BEV	1.36%	0.82%
PHEV	5.44%	7.59%
ICE (incl. mild hybrids)	0.67%	0.69%
Total	0.93%	0.91%

Total industry volume share and growth by propulsion type ^{1) 2)}	Jan-May 2023	Growth YoY
BEV	11.94%	42.72%
PHEV	3.95%	36.10%
ICE (incl. mild hybrids)	84.11%	3.58%
Total	100%	7.21%

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.

2) Source: Includes content supplied by IHS Markit Automotive; Copyright® MarketInsight, July 2023. All rights reserved.

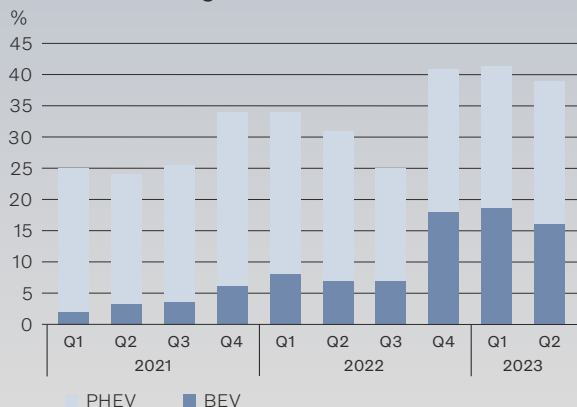
FAST GROWING PREMIUM BRAND

Market position

Battery electric cars increased to 16% total share from 7% in the same quarter last year whereas Recharge sales increased to 39 (31)%. Overall demand remains healthy at a global level but with regional variances. On an aggregated level, the absolute order intake has, however, been stable for the last quarters.

Brazil, Uruguay, Thailand and Indonesia all had 100% recharge sales in Q2, closely followed by Norway 99%, Denmark 96%, Ireland 95%, Finland 88%, Belgium 86%, and the Netherlands 85%.

Volvo Cars Recharge sales as share of total sales



Sustainability

Volvo Cars has an ambition to reduce the carbon footprint per average vehicle by 40% by 2025, against 2018 levels, and we continue to make progress. In the half year, we reached a reduction of 18.8%.

The Volvo EX30 was revealed during the quarter, designed to have the smallest carbon footprint of any Volvo to date and a wide array of recycled and renewable materials inside. 17% of its steel and plastics are from recycled material and so is 25% of its aluminum. Its factory is powered by 100% climate-neutral electricity.

Our CEO Jim Rowan, alongside fellow CEOs published an op-ed ahead of a Swedish government-led climate meeting, calling for more support for circularity, accelerating the transition to green transport, more renewable energy as well as increased collaboration between the Swedish government and companies.

Finally, Volvo Cars hosted a panel in Brussels on Circularity in the Automotive Industry – from theory to practice, raising awareness on the upcoming EU legislation, including the Critical Raw Materials Act.

CO ₂ -reduction per car	Total CO ₂ -emissions per car (tonnes)	Reduction (%)
2018	54.9	—
2023 Jan-Jun ¹⁾	44.6	-18.8
2025 ambition	32.9	-40
2040 ambition	0	Climate neutral

1) The H1 2023 greenhouse gas emissions (GHG) results did not include production and distribution of fuel and electricity.

FULL ELECTRIFICATION

Successful launch of the EX30

On 7 June the EX30 was launched in Milan. The EX30 is an integral part of our mid-decade ambitions in terms of volume, margins, and sustainability. The car comes with attractive pricing and offers both a shorter range LFP battery single motor version as well as a long range NMC battery version. It is designed to have the lowest carbon footprint of any Volvo Car to date and is the fastest with 0-100 km/h in 3.6 seconds. Production is expected to start after summer with the first cars being delivered in Q4.

BEV/Non-BEV profitability and share of investments

Compared to the second quarter of 2022 the fully electric new car gross income per unit has been affected by higher raw material costs, spot purchasing of semiconductors as well as higher discounts, predominantly in the US. This has only partially been offset by increased pricing.

Compared to the first quarter of 2023 the second quarter showed a somewhat weaker mix and also higher discounts. The latter being driven by the introduction of the new XC40 BEV and C40 model year in the US which normally means higher discounts on the outgoing model year.

	Apr–Jun 2023			Full year 2022		
	BEV	Non-BEV		BEV	Non-BEV	
Retail sales (k units)	29	150		67	548	
Revenue per Car (SEKk/unit) ¹⁾	430	417		449	415	
Gross Income per Car (SEKk/unit) ¹⁾	11	89		37	89	
Gross Margin (%)	3	21		8	21	
	BEV	Non-BEV	Common	BEV	Non-BEV	Common
Share of Investing Cash Flow (%) ²⁾	65	7	28	68	6	26

1) Revenue and gross income refer to new cars including emissions credits, excluding after sales, subscription and foreign exchange hedge effect. Labour and overhead are set to standard cost and fixed manufacturing costs are distributed by volume.

2) Investments refer to plant, property, equipment and capitalised product development only. Common investments are not defined as either BEV or non-BEV investments and consist of manufacturing efficiency, replacements & maintenance and infotainment development.

China battery centre launched

To support our transformation towards an all-electric future in 2030, we have previously established two battery centres, one located in Gothenburg (Sweden) and the other in Holland, Michigan (USA). In April this year, we opened a third one, this time in Shanghai (China).

Our battery centres are dedicated to providing repair, analysis and storage for battery packs. The battery centre in our global headquarters in Gothenburg has been the starting point for service and innovation, and the location where we continuously develop improved methods and analysis tools to secure better quality.

A LEADER IN NEW TECHNOLOGY

New Volvo Car Design Studio in Shanghai

On May 10, Volvo Cars unveiled the new Design Studio Shanghai, expanding our global design footprint by joining our existing studios in Gothenburg and Camarillo. With the opening of Design Studio Shanghai, we are also reinforcing our strategic investment and long-term development in China, on top of our R&D centre in Shanghai and our plants in Chengdu, Daqing and Taizhou.

DIRECT CONSUMER RELATIONS

For the second quarter of 2023, the share of online/direct business amounted to 6 (5)% of our total global sales. The higher share of online/direct business was in part a consequence of improved production, which supported online/direct business related to the subscription business model.

UK market goes direct

A very important milestone was achieved on June 14 when the UK market transformed to direct sales only, closing down the wholesale channel. Customers can now experience a simple, intuitive and smooth buying process via our online flagship store, volvocars.com, including an easy-to-understand offer and national pricing. The transition from wholesale to direct has gone well with no signs of loss of sales pace and also the sometimes challenging digital transformation has gone well.

FASTEST TRANSFORMER WAY OF WORKING

Restructuring cost program announced

As part of our global cost optimization and resource efficiency program to reduce costs and drive efficiencies across our global operations, we announced a redundancy program in Sweden to reduce around 1,300 positions for office-based employees. We will continue to invest in the skills, technologies and tools needed to create safe and sustainable mobility for our customers. Implementing structural change and driving increased efficiency across the entire company allows us to do this. The actions will focus on reducing indirect spending, further lowering the run rate of variable costs and updating some of the structures within the organisation.

New Head of Global Marketing

On July 3, Gretchen Saegh-Fleming joined Volvo Cars as Head of Global Marketing. Most recently, Gretchen was chief commercial officer at connected fitness company Hydrow. She will be part of the Group Management Team (GMT).

Second quarter financial summary

SALES AND MARKET DEVELOPMENT

The global passenger car market improved year over year during the second quarter, explained by stabilising production run rate as well as a low comparable base for the same period last year.

Volvo Cars retail sales increased by 25% compared with the second quarter of 2022, while BEV increased by 178%. Wholesales increased by 39% and the production increased by 50%. The strong growth in retail sales were mainly enabled by improved production rate during the quarter, despite some disturbances related to semiconductors. There is some stocking up due to increased production and seasonality since our European factories will be closed for maintenance during the summer.

Overall demand for our cars remained healthy at a global level and we continued to maintain price discipline. Volvo Cars' Recharge line-up continued to be popular, with 29.2 thousand units of BEV accounting for 16% of the total cars sold and Recharge car sales accounting for 39% of the total cars sold.

Europe

The total European car market increased by 17% and the traditional premium segment increased by 30% compared to last year, although there are variances between different countries. The region continued to have a large backlog of orders waiting to be delivered.

Volvo Cars retail sales increased by 36%. The orderbook remained stable despite geographical differences on new order intake. Recharge sales accounted for 61 (45)% of cars sold, whereof BEV sales accounted for 25 (10)% of retail sales.

China

The total Chinese passenger car market increased by 25%, while the traditional premium segment increased by 28%. Much of the increase is attributable to a low base of comparison for the same period last year, impacted especially by the COVID-19 lockdowns in 2022.

Volvo Cars retail sales increased by 22%. Recharge share of total Chinese retail sales accounted for 9 (5)%, whereof BEV sales contributed with 2 (1)% of retail sales.

US

The total US passenger car market increased by 12%. The traditional premium segment increased by 20%. We are seeing a slight softening in net prices due to higher interest rates, but not back at the pre-pandemic discount levels.

Volvo Cars' retail sales increased by 20%. Recharge share accounted for 29 (36)% in the quarter. BEV share of sales contributed to 14 (8)% of retail sales.

Other

Retail sales in other markets increased by 12%. The largest markets were Korea, Japan and Australia, which reported 22%, -16% and 13% respectively. Recharge share of total sales in other markets was 35 (31)%, whereof BEV sales contributed to 17 (9)%.

Sales development per carline

The SUVs, including Volvo Cars' XC and C models, contributed to a share of 80 (81)% of total sales, mainly driven by the two BEV models, the C40 and the XC40. The Sedan and Wagons' share of total sales amounted to 13 (11)% and 7 (8)% respectively. The XC60 remained the best-selling model, followed by XC40.

Retail sales (k units)	3 Months			6 Months			12 Months		
	Apr-Jun 2023	Apr-Jun 2022	Δ%	Jan-Jun 2023	Jan-Jun 2022	Δ%	LTM	2022	Δ%
Europe	74.3	54.6	36	146.9	119.8	23	274.6	247.4	11
China	42.1	34.5	22	78.5	70.2	12	170.6	162.3	5
US	33.3	27.8	20	59.8	50.6	18	111.2	102.0	9
Other	29.1	26.0	12	56.5	50.7	11	109.1	103.3	6
Retail sales total	178.8	143.0	25	341.7	291.3	17	665.5	615.1	8
Recharge line-up vehicles	69.0	44.2	56	136.4	94.0	45	247.8	205.4	21
<i>whereof BEV vehicles</i>	<i>29.2</i>	<i>10.5</i>	<i>178</i>	<i>59.3</i>	<i>22.2</i>	<i>167</i>	<i>103.8</i>	<i>66.7</i>	<i>55</i>
Recharge line-up share of sales	39%	31%	—	40%	32%	—	37%	33%	—
<i>whereof BEV share of sales</i>	<i>16%</i>	<i>7%</i>	<i>—</i>	<i>17%</i>	<i>8%</i>	<i>—</i>	<i>16%</i>	<i>11%</i>	<i>—</i>
Wholesales	188.7	135.5	39	362.8	292.2	24	702.3	631.7	11
Production volume	198.4	132.1	50	379.5	301.2	26	727.3	648.9	12



Top 10 Retail sales by market (k units)	3 Months			6 Months			12 Months		
	Apr–Jun 2023	Apr–Jun 2022	Δ%	Jan–Jun 2023	Jan–Jun 2022	Δ%	LTM	2022	Δ%
China	42.1	34.5	22	78.5	70.2	12	170.6	162.3	5
US	33.3	27.8	20	59.8	50.6	18	111.2	102.0	9
UK	13.0	8.0	62	24.9	19.2	30	42.2	36.5	16
Sweden	10.6	9.6	10	20.0	22.0	–9	43.7	45.7	–4
Germany	10.3	7.7	33	20.6	16.6	24	39.7	35.8	11
Belgium	6.1	3.4	78	11.9	7.7	54	18.8	14.6	29
Italy	5.7	3.9	48	10.6	7.4	43	19.2	16.0	20
Netherlands	4.5	2.4	86	9.3	6.4	46	15.9	13.0	23
Korea	4.5	3.7	22	8.5	7.0	21	15.9	14.4	10
France	3.7	2.6	43	7.5	5.6	32	15.6	13.7	13

Retail sales by model (k units)	3 Months			6 Months			12 Months		
	Apr–Jun 2023	Apr–Jun 2022	Δ%	Jan–Jun 2023	Jan–Jun 2022	Δ%	LTM	2022	Δ%
XC40 BEV	17.9	6.6	173	39.0	14.6	166	66.9	42.5	57
C40	11.3	3.9	187	20.3	7.6	167	36.9	24.2	52
XC60	55.8	48.3	15	106.0	93.2	14	208.1	195.3	7
XC40 PHEV/ICE	31.6	29.6	7	60.6	64.0	–5	123.2	126.7	–3
XC90	27.1	26.9	1	51.5	48.9	5	99.7	97.1	3
S90	12.7	8.3	53	23.1	17.8	29	48.2	42.9	12
S60	9.7	8.2	19	17.9	20.3	–12	37.0	39.5	–6
V60	8.6	7.5	15	16.3	16.7	–2	31.7	32.1	–1
V90	4.0	3.6	10	7.1	8.1	–12	13.8	14.7	–6
Total	178.8	143.0	25	341.7	291.3	17	665.5	615.1	8

V60 and V90 include the cross-country versions.

INCOME AND RESULT

The comparative figures refer to the consolidated income statement of the second quarter 2022 if not otherwise stated.

Volvo Cars' revenue amounted to SEK 102.2 (71.3) bn, an increase of 43%. Wholesale volumes increased by 39% to 188.7 (135.5) thousand cars. The increased volume contributed with SEK 20.0 bn, as well as foreign exchange rate effects, including hedges, had a positive impact on revenue of SEK 5.1 bn. Revenue from contract manufacturing increased by SEK 3.7 bn.

Gross income increased by 38% to SEK 19.4 (14.1) bn, resulting in a gross margin of 19.0 (19.8)%. The gross margin slightly decreased due to third party contract manufacturing with lower margin than wholesale, as well as a higher share of fully electric car mix. This was partially mitigated by increased volumes. Foreign exchange rate effects, including hedges, in cost of sales were negative amounting to SEK –3.2 bn. The net effect of foreign exchange rates including hedges in gross income was positive and amounted to SEK 1.9 bn.

Research and development expenses amounted to SEK –3.4 (–2.9) bn, for details regarding research and development expenses, see the Research and development table on page 10. Selling expenses increased by 45% to SEK –6.6 (–4.6) bn, mainly due to increased spend related to marketing activities and the launch of new cars, as well as the comparative figures were affected by supply and production constraints. Administrative expenses increased by 18% to SEK –3.5 (–2.9) bn mainly due to increased spend related to digital development.

Changes to Revenue, SEK bn	Apr–Jun
Revenue Q2 2022	71.3
Volume	20.0
Sales mix and pricing	–0.5
Sale of licences	0.3
Foreign exchange rates	5.1
Contract manufacturing	3.7
Other ¹⁾	2.3
Revenue Q2 2023	102.2
Change %	43

1) Including used cars, earned emissions credits, parts and accessories.

Other operating income and expenses decreased to SEK 0.5 (0.9) bn mainly due to negative exchange rate effects from the valuation of operating assets and liabilities. Share of income in joint ventures and associates decreased to SEK –1.4 (6.2) bn, however, comparative figures were positively affected by the de-SPAC listing of Polestar, see items affecting comparability table below.

Operating income (EBIT) decreased to SEK 5.0 (10.8) bn, resulting in an EBIT margin of 4.9 (15.1)%. Excluding share of income in joint ventures and associates, EBIT increased to SEK 6.4 (4.6) bn, corresponding to a margin of 6.3 (6.5)%. The positive development on EBIT was primarily driven by higher volume of SEK 5.9 bn as well as exchange rate effects 0.9 bn, but negatively affected by sales mix and pricing SEK –1.8 bn and restructuring costs SEK –0.9 bn, impacting various functions in the organisation. The exchange rate effects including hedges had a positive impact on EBIT of SEK 0.9 bn, see the table below.

Net financial items increased to SEK 0.4 (–0.8) bn, mainly driven by higher interest income and the market revaluation of the investment in Luminar based on the current share price. The effective tax rate increased to –34.1 (–10.2)%, mainly due to non-taxable effect of the de-SPAC listing of Polestar in the comparative figures. Net income was SEK 3.5 (9.0) bn and 3.5 (12.6)% in relation to revenue. Basic earnings per share amounted to SEK 1.12 (3.00).

Items affecting comparability, SEKbn	Apr–Jun 2023	Apr–Jun 2022
<i>Whereof affecting Volvo Cars Operations</i>		
Restructuring costs	–0.9	—
<i>Whereof affecting JV's & Associates</i>		
de-SPAC listing of Polestar, net effect	—	5.9
Total	–0.9	5.9

Changes to Operating income, SEK bn	Apr–Jun
EBIT Q2 2022	10.8
Volume	5.9
Sales mix and pricing	–1.8
Sale of licences	0.2
Government grants	0.1
Foreign exchange rates	0.9
Share of income in JVs and associates ²⁾	–1.7
Items affecting comparability – Volvo Cars operations	–0.9
Items affecting comparability – JVs & Associates	–5.9
Other ³⁾	–2.6
EBIT Q2 2023	5.0
Change %	–54

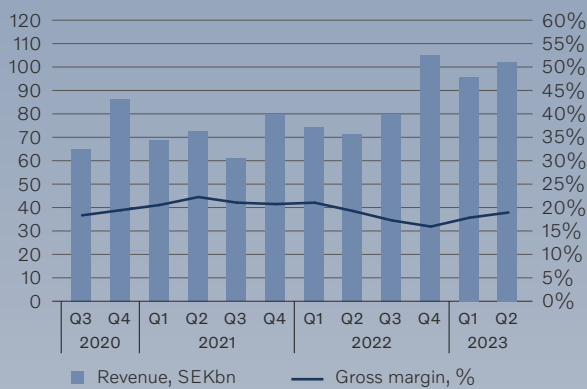
2) Excluding items affecting comparability.

3) Mainly including raw material increases, fixed costs, used cars, emissions credits, parts and accessories, cost efficiencies and import duties.

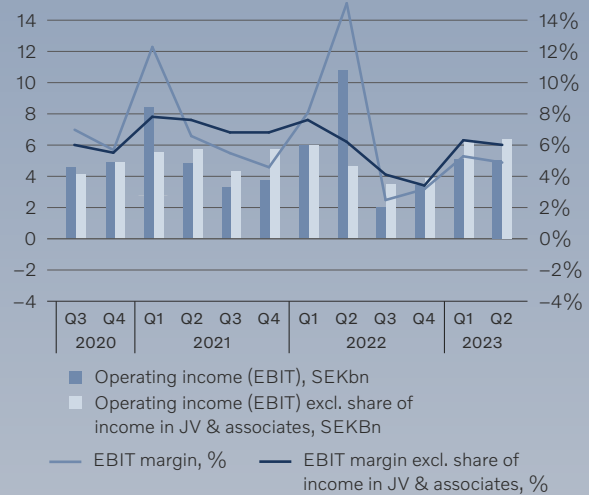
VOLVO CAR GROUP

Research and development, SEKm	3 Months			6 Months			Full year
	Apr–Jun 2023	Apr–Jun 2022	Δ%	Jan–Jun 2023	Jan–Jun 2022	Δ%	2022
Research and development spending	–7,217	–5,866	23.0	–13,721	–10,654	28.8	–22,123
Capitalised development costs	5,004	4,077	22.7	9,790	6,819	43.6	15,188
Amortisation of research and development	–1,170	–1,129	3.6	–2,330	–2,313	0.7	–4,579
Research and development expenses	–3,383	–2,918	15.9	–6,261	–6,148	1.8	–11,514

Revenue & Gross Margin



Operating Income & EBIT Margin



CASH FLOW

The comparative figures for the cash flow items refer to the consolidated cash flow statement for the second quarter 2022 unless otherwise stated. The comparative figures for the balance sheet items refer to the consolidated balance sheets of December 31, 2022 unless otherwise stated.

Total cash and cash equivalents, including marketable securities, decreased to SEK 51.7 (67.2) bn. Net cash decreased to SEK 21.9 (38.1) bn. Liquidity amounted to SEK 69.4 (83.8) bn, including undrawn credit facilities of SEK 17.7 (16.7) bn.

Cash flow from operating activities

Cash flow from operating activities amounted to SEK 17.0 (7.4) bn. The amount consists of operating income of SEK 5.0 (10.8) bn, adjusted for depreciation and amortisation of SEK 4.2 (4.0) bn, together with paid income tax of SEK -1.9 (-0.7) bn.

The change in working capital amounted to SEK 6.1 (-0.8) bn. The positive cash flow from working capital is mainly related to Aurobay repayment of liability amounting to SEK 3.0 bn from 2022, but also affected by higher sales and positive cash flow from Volvo Car Group Financial Leasing (Shanghai) Co., Ltd. Cash flow from inventory amounted to SEK -3.6 (-0.6) bn due to increased pipeline of finished vehicles as an effect of the improved production situation. Change in accounts receivables SEK -4.3 (5.1) bn affected by increased sales, but offset by higher accounts payable SEK 4.5 (-1.3) bn. Contract liabilities increased by SEK 4.2 (0.8) bn, mainly due to higher sales related provisions, such as discounts and dealer incentives, mainly volume driven. This was partly offset by decreased provisions by SEK -3.8 (-2.8) bn. Cash flow effect in other working capital asset/liabilities amounted to SEK 9.0 (-2.0) bn, partly impacted by Aurobay repayment of liability.

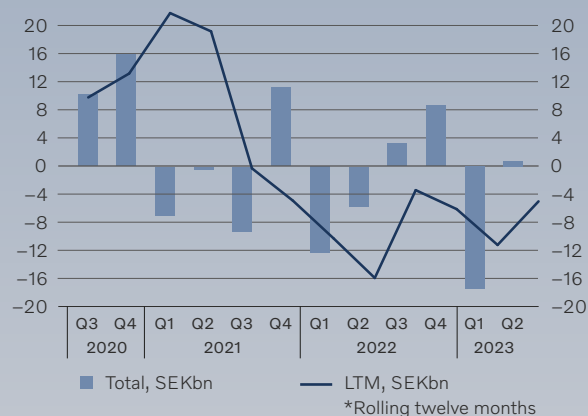
Cash flow from investing activities

Cash flow from investing activities amounted to SEK -16.3 (-13.0) bn. Cashflow from investments in tangible assets amounted to SEK -4.8 (-2.2) bn, mainly driven by the industrial structure to prepare for future products. Investments in intangible assets amounted to SEK -5.4 (-4.2) bn as a result of continuous investments in new and upcoming car models and new technology, such as electrification technology and autonomous driving. The cashflow from loans to affiliated companies amounted to SEK -6.0 (-) bn, mainly related to the loan to Polestar announced in November 2022.

Cash flow from financing activities

Cash flow from financing activities amounted to SEK 0.2 (2.3) bn, related to increased proceeds from credit institutions and repayments of liabilities to credit institutions.

Cash flow from Operating and investing activities



Cash flow statement, SEK bn	3 Months		6 Months		Full year
	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	2022
Cash flow from operating activities	17.0	7.4	14.6	3.1	33.6
Cash flow from investing activities	-16.3	-13.0	-31.4	-21.0	-39.7
Cash flow from operating and investing activities	0.7	-5.6	-16.8	-17.9	-6.1
Cash flow from financing activities	0.2	2.3	4.1	2.8	5.0
Cash flow for the period	0.9	-3.3	-12.7	-15.0	-1.1

First six months 2023

INCOME AND RESULT

Revenue increased by 36% to SEK 197.9 (145.6) bn, supported by contract manufacturing, as well as wholesale volumes, which increased by 24% to 362.8 (292.2) thousand cars.

Gross income amounted to SEK 36.5 (29.8) bn, resulting in a gross margin of 18.5 (20.5)% a decrease mainly due to increased raw material prices but also effects from contract manufacturing with somewhat lower margin than wholesale. The gross margin was supported by increased volume, as well as positive foreign exchange rate effects, including hedges.

Operating Income (EBIT) decreased to SEK 10.1 (16.8) bn, resulting in an EBIT margin of 5.1 (11.6)%, mainly as a result of the de-SPAC listing of Polestar in the comparative figures, see items affecting comparability table below.

Excluding share of income in joint ventures and associates, EBIT increased to SEK 12.7 (10.5) bn, corresponding to a margin of 6.4 (7.2)%. The exchange rate effects including hedges had a positive impact on EBIT of SEK 2.1 bn.

Net financial items amounted to SEK 0.7 (–1.1) bn. The effective tax rate increased to –30.1 (–14.6)%, mainly due to non-taxable effect of the de-SPAC listing of Polestar in the comparative figures. Net income was SEK 7.5 (13.5) bn. Net income in relation to revenue was 3.8 (9.3)%. Basic earnings per share amounted to SEK 2.33 (4.29).

CASH FLOW

Total cash and cash equivalents, including marketable securities, decreased to SEK 51.7 (67.2) bn. Net cash decreased to

Items affecting comparability, SEKbn	Jan–Jun 2023	Jan–Jun 2022
<i>Whereof affecting Volvo Cars Operations</i>		
Restructuring costs	–0.9	—
<i>Whereof affecting JV's & Associates</i>		
de-SPAC listing of Polestar, net effect	—	5.9
Total	–0.9	5.9

Changes to Revenue, SEK bn	Jan–Jun
Revenue in 2022	145.6
Volume	29.0
Sales mix and pricing	3.7
Sale of licences	–0.1
Foreign exchange rates	10.4
Contract manufacturing	6.4
Other ¹⁾	2.9
Revenue in 2023	197.9
Change %	36

1) Including used cars, earned emissions credits, parts and accessories.

SEK 21.9 (38.1) bn. Liquidity amounted to SEK 69.4 (83.8) bn, including undrawn credit facilities of SEK 17.7 (16.7) bn.

Cash flow from operating activities was positive and amounted to SEK 14.6 (3.1) bn. Working capital was negative and amounted to SEK –5.0 (–12.6) bn. Mainly related to normal seasonality, but also affected positively by Aurobay repayment of liability from 2022 amounting to SEK 3.0 bn and Volvo Car Group Financial Leasing (Shanghai) Co., Ltd.

Cash flow from investing activities amounted to SEK –31.4 (–21.0) bn. Volvo Cars continued to invest in the industrial structure, new technology, upcoming car models and the transformation into a fully electric car company. In addition, investing cash flow is also negative affected by loan to Polestar announced in November 2022 and new loan to Volvo Car Group Financial Leasing (Shanghai) Co., Ltd.

Cash flow from financing activities was positive and amounted to SEK 4.1 (2.8) bn, mainly related to change in marketable securities.

EQUITY

Total equity increased to SEK 123.3 (117.3) bn, resulting in an equity ratio of 36.0 (35.4)%. The change is mainly attributable to a positive net income of SEK 7.5 bn, negative effect on other comprehensive income of –1.5 bn and a minor positive effect in share-based payments.

The change in other comprehensive income is related to a positive foreign exchange translation effect, including hedges of net investments in foreign operations of SEK 0.3 bn (net of tax) and change in cash flow hedge reserve related to currency and commodity price risks of SEK –2.5 bn (net of tax). The change in value of cash flow hedges is mainly due to a depreciated SEK compared to most of the major currencies. Remeasurements of provisions for postemployment benefits had a positive effect of SEK 0.7 bn (net of tax).

Changes to Operating income, SEK bn	Jan–Jun
EBIT in 2022	16.8
Volume	8.8
Sales mix and pricing	–0.9
Sales of licenses	–0.2
Government grants	0
Foreign exchange rates	2.1
Share of income in JVs and associates ²⁾	–3.1
Items affecting comparability – Volvo Cars operations	–0.9
Items affecting comparability – JVs & Associates	–5.9
Other ³⁾	–6.6
EBIT in 2023	10.1
Change %	–40

2) Excluding items affecting comparability.

3) Mainly including raw material increases, fixed costs, used cars, emissions credits, parts and accessories, cost efficiencies and import duties.

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 20.

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 2022 page 54. We consider the risk and uncertainty factors to remain the same as described in the annual report except for the following updates:

Global shortage of semiconductors

Semiconductor constraints continued to gradually improve. However, the underlying global shortage of semiconductors continued, which resulted in higher production costs.

Volvo Cars continues to follow the development closely to enable production and delivering vehicles to customers as soon as possible. In addition, Volvo Cars works with strategic collaboration agreements with suppliers to increase the overall supply chain resilience.

Visibility has improved, however, the risk of further disturbances in production remains.

Macro uncertainty

The uncertain macro environment continues, including high inflation, rising interest rates, raw material price volatility and ongoing geopolitical crisis. The uncertainties in the financial markets are still high. The risks of potential impact on demand from higher interest rate level and lower consumer confidence remains at an elevated level.

The war in Ukraine

The war in Ukraine continues to have a negative impact on Europe. The war has led to accelerating increases in the cost of raw materials, energy, freights and inflationary pressures in the global economy. An escalation of the war in duration and scope could pose even more risks.

Volvo Cars has suspended its operations in Russia during 2022, without significant financial effects.

EMPLOYEES

During the first six months 2023, Volvo Car Group employed 43.9 (41.7) thousand full-time employees (FTEs) and 4.0 (4.2) thousand agency personnel. The increase was mainly due to new blue collar positions and new recruitment to support the transformation.



Consolidated Income Statements

SEKm	Note	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full year 2022
Revenue	2	102,152	71,300	197,857	145,569	330,145
Cost of sales		–82,733	–57,204	–161,339	–115,759	–269,813
Gross income		19,419	14,096	36,518	29,810	60,332
Research and development expenses		–3,383	–2,918	–6,261	–6,148	–11,514
Selling expenses		–6,612	–4,565	–12,401	–9,151	–21,000
Administrative expenses		–3,469	–2,930	–6,234	–5,530	–11,485
Other operating income and expenses ¹⁾		472	929	1,120	1,508	1,556
Share of income in joint ventures and associates		–1,434	6,189	–2,649	6,350	4,443
Operating income		4,993	10,801	10,093	16,839	22,332
Interest income and similar credits ¹⁾		598	139	1,097	304	852
Interest expenses and similar charges ¹⁾		–192	–212	–392	–417	–837
Other financial income and expenses ¹⁾	3	–26	–729	–41	–944	–1,532
Income before tax		5,373	9,999	10,757	15,782	20,815
Income tax		–1,833	–1,021	–3,242	–2,301	–3,812
Net income		3,540	8,978	7,515	13,481	17,003
Net income attributable to						
Owners of the parent company		3,332	8,935	6,943	12,788	15,577
Non-controlling interests		208	43	572	693	1,426
Basic earnings per share (SEK)	5	1.12	3.00	2.33	4.29	5.23
Diluted earnings per share (SEK)	5	1.12	3.00	2.33	4.29	5.23

1) In fourth quarter 2022, Volvo Cars changed the presentation of Other operating income and Other operating expenses as well as Financial income and Financial expenses. Presentation of the figures for Q2 2022 have been adjusted accordingly. The change has no impact on EBIT. For more information see the annual report 2022.

Consolidated Comprehensive Income

SEKm	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full year 2022
Net income for the period	3,540	8,978	7,515	13,481	17,003
Other comprehensive income					
<i>Items that will not be reclassified subsequently to income statement:</i>					
Remeasurements of provisions for post-employment benefits	1,181	3,385	857	5,199	4,560
Tax on items that will not be reclassified to income statement	–247	–711	–132	–1,098	–998
<i>Items that have been or may be reclassified subsequently to income statement:</i>					
Translation difference on foreign operations	539	2,561	787	3,325	3,872
Translation difference of hedge instruments of net investments in foreign operations	–489	–322	–607	–393	–710
Change in fair value of cash flow hedge related to currency and commodity price risks	–3,261	–1,051	–3,180	–1,089	2,289
Tax on items that have been or may be reclassified to income statement	772	283	779	303	–319
Other comprehensive income, net of income tax	–1,505	4,145	–1,496	6,247	8,694
Total comprehensive income for the period	2,035	13,123	6,019	19,728	25,697
Total comprehensive income attributable to					
Owners of the parent company	1,872	12,932	5,499	18,765	24,150
Non-controlling interests	163	191	520	963	1,547
	2,035	13,123	6,019	19,728	25,697

Consolidated Balance Sheets

SEKm	Note	30 Jun 2023	31 Dec 2022
ASSETS			
Non-current assets			
Intangible assets		65,257	56,994
Tangible assets ¹⁾		84,464	77,252
Investments in joint ventures and associates	4	15,762	15,599
Other long-term securities holdings	3	3,431	4,353
Deferred tax assets		10,215	9,131
Other non-current interest-bearing receivables		1,213	3,354
Non-current derivative assets	3	350	1,128
Other non-current assets		3,434	3,994
Total non-current assets		184,126	171,805
Current assets			
Inventories		55,401	46,951
Accounts receivable	4	24,971	25,239
Current tax assets		2,641	1,763
Current derivative assets	3	1,161	1,769
Other current assets ¹⁾		23,005	16,239
Marketable securities	3	—	3,415
Cash and cash equivalents	3	51,701	63,743
Total current assets		158,880	159,119
TOTAL ASSETS		343,006	330,924
EQUITY & LIABILITIES			
Equity			
Equity attributable to owners of the parent company ¹⁾		119,472	113,947
Non-controlling interests ¹⁾		3,869	3,331
Total equity		123,341	117,278
Non-current liabilities			
Provisions for post-employment benefits		4,955	6,883
Deferred tax liabilities		7,134	5,392
Other non-current provisions		7,877	8,398
Non-current liabilities to credit institutions	3	2,769	3,096
Non-current bonds	3	18,817	22,959
Non-current contract liabilities to customers		8,417	7,144
Other non-current interest-bearing liabilities		4,748	4,845
Non-current derivative liabilities	3	1,485	825
Other non-current liabilities		5,093	4,726
Total non-current liabilities		61,295	64,268
Current liabilities			
Current provisions		10,663	9,051
Current liabilities to credit institutions	3	861	755
Current bonds	3	7,025	2,000
Current contract liabilities to customers		28,021	26,094
Accounts payable	4	63,753	68,913
Current tax liabilities		1,379	1,566
Other current interest-bearing liabilities		1,338	1,500
Current derivative liabilities	3	3,011	1,809
Other current liabilities	4	42,319	37,690
Total current liabilities		158,370	149,378
TOTAL EQUITY & LIABILITIES		343,006	330,924

1) Adjustments have been made to the prior period presented. For more information see Note 10 - Government grants in the annual report 2022.

Consolidated Statement of Changes in Equity

SEKm	30 Jun 2023	31 Dec 2022
Opening balance (as previously reported)	117,278	94,978
Correction of prior period error ¹⁾	—	–466
Effect of hyperinflation ²⁾	—	49
Opening balance (restated)	117,278	94,561
Net income for the period	7,515	17,003
Other comprehensive income, net of income tax	–1,496	8,694
Total comprehensive income	6,019	25,697
Transactions with owners		
Capital contribution from non-controlling interests	—	17
Divestment of non-controlling interests ³⁾	—	–1,196
Divestment under common control ⁴⁾	—	–978
New issue	—	–1
Share-based payments	44	24
Dividend to shareholders ⁵⁾	—	–846
Transactions with owners	44	–2,980
Closing balance	123,341	117,278
Attributable to		
Owners of the parent company	119,472	113,947
Non-controlling interests	3,869	3,331
Closing balance	123,341	117,278

1) For more information see Note 10 - Government grants in the annual report 2022.

2) For more information see Note 1 - General information for financial reporting in Volvo Car Group in the annual report 2022.

3) Refers to the divestment of non-controlling interest in Zenseact AB.

4) Refers to the divestment of Zhangjiakou Volvo Engine Manufacturing Co., Ltd to Zhejiang Aurobay Powertrain Co., Ltd.

5) Dividend to shareholders with non-controlling interest of SEK — (–846) m.

Consolidated Statement of Cash Flows

SEKm	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full year 2022
OPERATING ACTIVITIES					
Operating income	4,993	10,801	10,093	16,839	22,332
Depreciation and amortisation of non-current assets	4,205	4,020	8,334	8,005	16,091
Dividends received from joint ventures and associates	84	72	88	72	72
Interest and similar items received	598	281	1,097	446	1,065
Interest and similar items paid	–513	–455	–789	–694	–1,351
Other financial items	–85	23	69	124	206
Income tax paid	–1,884	–706	–3,127	–2,066	–4,223
Adjustments for other non-cash items	3,528	–5,897	3,860	–6,993	–7,135
	10,926	8,139	19,625	15,733	27,057
Movements in working capital					
Change in inventories	–3,565	–559	–7,497	–4,540	–7,348
Change in accounts receivable	–4,291	5,050	–113	5,045	–776
Change in accounts payable	4,476	–1,250	–4,472	–6,023	18,533
Change in provisions	–3,794	–2,817	–3,083	–4,581	–4,640
Change in contract liabilities to customers	4,245	772	4,073	–715	5,941
Change in other working capital assets/liabilities	8,986	–1,964	6,070	–1,787	–5,168
Cash flow from movements in working capital	6,057	–768	–5,022	–12,601	6,542
Cash flow from operating activities	16,983	7,371	14,603	3,132	33,599
INVESTING ACTIVITIES					
Investments in shares and participations	–14	–6,460	–547	–8,220	–9,597
Divestment in shares and participations	—	116	—	716	2,290
Loans to affiliated companies	–6,047	—	–9,161	—	—
Investments in intangible assets	–5,394	–4,187	–10,939	–7,323	–18,328
Investments in tangible assets	–4,825	–2,179	–10,787	–5,937	–13,784
Disposal of tangible assets	56	24	141	45	161
Other	–75	–285	–75	–285	–400
Cash flow from investing activities	–16,299	–12,971	–31,368	–21,004	–39,658
Cash flow from operating and investing activities	684	–5,600	–16,765	–17,872	–6,059
FINANCING ACTIVITIES					
Proceeds from credit institutions	809	959	1,585	1,024	1,040
Proceeds from bond issuance	—	5,260	1,500	5,260	5,260
Repayment of bond	—	—	–2,000	—	—
Repayment of liabilities to credit institutions	–376	–4,288	–376	–4,292	–4,530
Repayment of interest bearing liabilities	–424	–393	–853	–800	–1,711
Dividends paid to shareholders and/or Non-controlling interest	—	—	—	—	–846
Investments in marketable securities	—	–2,227	–360	–11,483	–21,127
Matured marketable securities	—	2,555	3,781	12,629	26,157
Other	186	460	824	488	726
Cash flow from financing activities	195	2,326	4,101	2,826	4,969
Cash flow for the period	879	–3,274	–12,664	–15,046	–1,090
Cash and cash equivalents at beginning of period	50,323	51,418	63,743	62,265	62,265
Exchange difference on cash and cash equivalents	499	1,891	622	2,816	2,568
Cash and cash equivalents at end of period	51,701	50,035	51,701	50,035	63,743

Condensed Parent Company Income Statements

SEKm	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full year 2022
Administrative expenses	–6	–9	–12	–14	–27
Operating income/loss	–6	–9	–12	–14	–27
Interest income and similar credits ¹⁾	334	226	666	402	942
Interest expenses and similar charges ¹⁾	–202	–143	–397	–269	–640
Other financial income and expenses ¹⁾²⁾	–7	–7	–13	–14	1,472
Income before tax	119	67	244	105	1,747
Income tax	–24	–13	–50	–21	889
Net income	95	54	194	84	2,636

1) In fourth quarter 2022, Volvo Cars changed the presentation of Other operating income and Other operating expenses as well as Financial income and Financial expenses. Presentation of the figures for Q2 2022 have been adjusted accordingly. The change has no impact on EBIT. For more information see the annual report 2022.

2) In December 2022, a dividend of SEK 1,500 m was received from the subsidiary.

Other comprehensive income and net income are consistent since there are no items in other comprehensive income.

Condensed Parent Company Balance Sheets

SEKm	30 Jun 2023	31 Dec 2022
ASSETS		
Non-current assets	41,107	45,263
Current assets	22,862	22,234
TOTAL ASSETS	63,969	67,497
EQUITY & LIABILITIES		
Equity		
Restricted equity	61	61
Non-restricted equity	36,492	36,254
Total equity	36,553	36,315
Non-current liabilities	20,098	24,242
Current liabilities	7,318	6,940
Total liabilities	27,416	31,182
TOTAL EQUITY & LIABILITIES	63,969	67,497

In December 2022, the parent company made a group contribution of SEK 4,530 m to Volvo Car Corporation.

NOTE 1 – Accounting policies

The interim report has been prepared in accordance with IAS 34 – Interim Financial Reporting and the Swedish Annual Accounts Act. The Volvo Car Group applies International Financial Reporting 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 2022 (available at <https://investors.volvocars.com>).

The IASB has published amendments to standards effective on or after 1 January 2023. These additions have not had any significant impact on the financial statements.

NOTE 2 – Revenue

Revenue allocated to geographical regions:

SEKm	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full year 2022
China	19,640	14,012	36,225	31,421	70,924
US	19,672	16,247	39,162	27,568	62,070
Europe	46,489	28,429	90,591	62,568	144,150
<i>of which Sweden¹⁾</i>	<i>13,169</i>	<i>7,838</i>	<i>24,743</i>	<i>18,239</i>	<i>44,923</i>
<i>of which Germany</i>	<i>5,360</i>	<i>4,354</i>	<i>10,794</i>	<i>8,481</i>	<i>19,015</i>
<i>of which United Kingdom</i>	<i>5,504</i>	<i>3,623</i>	<i>10,079</i>	<i>7,117</i>	<i>16,159</i>
Other markets	16,351	12,612	31,879	24,012	53,001
<i>of which Japan</i>	<i>2,216</i>	<i>2,263</i>	<i>4,502</i>	<i>4,123</i>	<i>8,339</i>
<i>of which South Korea</i>	<i>1,994</i>	<i>1,424</i>	<i>4,170</i>	<i>2,887</i>	<i>6,024</i>
Total	102,152	71,300	197,857	145,569	330,145

Revenue allocated to category:

SEKm	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full year 2022
Sales of new cars	78,816	54,998	152,691	111,911	252,747
Sales of used cars	4,219	4,004	7,993	8,262	16,405
Sales of parts and accessories	9,875	7,191	18,546	14,424	30,778
Revenue from subscription, leasing and rental business	1,319	1,166	2,526	2,137	4,473
Sales of licences and royalties	408	139	408	538	887
Contract manufacturing	5,903	2,093	12,385	5,623	20,288
Emissions credits	89	—	275	—	505
Other revenue	1,523	1,709	3,033	2,674	4,062
Total	102,152	71,300	197,857	145,569	330,145

1) Includes the Contract manufacturing sales channel.

NOTE 3 – Financial instruments

Valuation principles and classification of financial instruments, as described in the Volvo Car Group's Annual Report 2022, Note 20 – Group financial instruments and financial risks, have been applied consistently throughout the reporting period.

The fair value of the financial instruments valued at amortised cost shorter than twelve months are equivalent to their carrying amounts. The carrying amount of the non-current and current issued bond loans and liabilities to credit institutions amounted to SEK 29,473 (28,810) m and the fair value of these financial instruments amounted to SEK 28,410 (27,390) m.

Financial instruments at level 2 in Volvo Cars reported at fair value through profit and loss and designated hedging instrument consist of derivatives, commercial paper and convertible bonds, where the positive fair value amounted to SEK 9,549 (4,658) m and the negative fair value amounted to SEK 4,496 (2,634) m. The financial instruments at level 2 with a positive fair value include a convertible bond to the Polestar Group. The convertible bond is initially recognised at fair value and subsequent valuation is based on prevailing market quotations, estimating future cash flows using the relevant forward curve and discounting with the relevant discount curve for the specific currency. The fair value reflects the non-performance risk including Polestar Group's credit risk, and the conversion option. The receivable can be converted into shares at a price equal to the price offered to all other market participants, with no discount or incentive offered. The value of the conversion option is therefore nil.

Investments in other long-term securities are holdings categorised as level 1 and level 3 financial instruments consisting of equity investments, warrants and earn-out rights. Investments in equity instruments amounted to SEK 3,431 (4,353) m, whereof SEK 363 (252) m are holdings categorised as level 1 financial instruments and SEK 3,068 (4,101) m are categorised as level 3 financial instruments.

The earn-out rights in the Polestar Group will accrue to the Group if a number of criteria have been met during a specific time period in the future. These earn-out rights are categorised as level 3 financial instruments and are measured by using a Monte Carlo simulation. The simulation is based on a volatility of 75% and a risk-free interest rate of 4.2%. A change in volatility of +/-10 percentage points results in a value range of SEK 1,597–2,192 m. Furthermore, if the risk-free interest rate changes +/-2 percentage points, it would result in a value range of SEK 1,862–1,989 m. Remaining level 3 investments consist of unlisted share warrants and earn-out rights in the listed company Luminar Technologies Inc (Luminar). These instruments are measured using the Black-Scholes model based on:

- The probability that Volvo Car Group will fulfil contractual terms and when in time this will occur.
- The assessed risk-free interest rate which have been determined at 5.4% and 4.3% for the different maturity.
- Volatility of the underlying share price which has been determined at 92%.

Sensitivity analysis for warrants in Luminar (SEKm)

Volatility	Likelihood of triggering event				
	-10%	-5%	0%	5%	10%
-10%	141	151	164	172	182
-5%	143	154	167	174	185
92%	145	156	169	177	188
5%	148	158	172	180	190
10%	150	161	174	182	193

NOTE 3 – Financial instruments – continued

Hedge accounting

Hedge accounting is applied when derivative instruments are included in a documented hedge relationship. For hedge accounting to be applied, a direct connection between the hedging instrument and the hedged item is required. Volvo Cars applies cash flow hedge, net investment hedge and fair value hedge. For further information see Note 20 – Financial instruments and financial risks in the Volvo Car Group's Annual Report 2022.

In the table below the outstanding derivatives within hedge accounting are presented.

30 Jun 2023	Assets	Liabilities	Net	Tax	Hedge reserve after tax	Recycled from other comprehensive income	Ineffectiveness reflected in income statement
Cash flow hedge							
– Currency risk	930	–3,468	–2,538	523	–2,015	243	—
– Energy price risk	140	–36	104	–21	83	34	—
– Raw material price risk	22	–203	–181	37	–144	48	—
Subtotal	1,092	–3,707	–2,615	539	–2,076	325	—
Net investments hedge							
– Currency risk	—	–1,831	–1,831	377	–1,454	—	—
Total	1,092	–5,538	–4,446	916	–3,530	325	—
Fair value hedge through the income statement							
– Interest rate risk	—	–330	–330	—	—	—	–10

31 Dec 2022	Assets	Liabilities	Net	Tax	Hedge reserve after tax	Recycled from other comprehensive income	Ineffectiveness reflected in income statement
Cash flow hedge							
– Currency risk	2,149	–1,816	333	–67	266	1,682	—
– Energy price risk	373	–38	335	–69	266	–102	—
– Raw material price risk	61	–164	–103	21	–82	–23	—
Subtotal	2,583	–2,018	565	–115	450	1,557	—
Net investments hedge							
– Currency risk	—	–1,224	–1,224	252	–972	11	—
Total	2,583	–3,242	–659	137	–522	1,568	—
Fair value hedge through the income statement							
– Interest rate risk	—	–298	–298	—	—	—	–11

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, licences of technology, contract manufacturing 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 second quarter

- In November, Volvo Cars signed a facility agreement with Polestar with the intention of providing them with a credit facility of USD 800 m. Polestar will be able to draw funds from this credit facility during a 18-month period. Any drawn funds (total loan) will be repaid by May 2024. The loan also includes an option for Volvo Cars to convert the loan to equity, if Polestar during the period chooses to finance the operations by issuing new shares. The potential conversion is also limited due to Volvo Cars' ownership in Polestar not being able to equal or exceed 50%. The convertible bond is measured at fair value through profit or loss taking into consideration the conversion mechanism of the instrument. During the first six months of 2023, Polestar has withdrawn a credit amount of USD 750 m of this facility which is interest bearing and classified as other current assets.
- Volvo Car Corporation and Zhejiang Genius & Guru Investment Co., Ltd have entered into an agreement resulting in the loss of control of Volvo Car Group Financial Leasing (Shanghai) Co., Ltd. Volvo Car Group has consolidated the company until 25 June 2023 when control was ceased, thereafter the company is a joint venture between Volvo Cars and Geely. The reclassification from subsidiary to joint venture did not have any financial impact. Zhejiang Genius & Guru Investment Co., Ltd. acquired 45% of Volvo Car Group Financial Leasing (Shanghai) Co., Ltd. through the issuance of new shares, for a total of SEK 621 m. In addition, the shareholders have provided the company with financial support in the form of a joint credit facility based on their pro rata share, amounting to a total of CNY 1,815 m. As of 30 June 2023, Volvo Car Group Financial Leasing (Shanghai) Co., Ltd. has withdrawn a credit amount of total CNY 1,300 m from the joint credit facility, of which the part provided by Volvo Cars amounts to CNY 715 m.

Tables of transactions with related parties

The information presented below includes all assets and liabilities regarding related parties. All assets and liabilities are current except SEK 1,179 (966) m which are non-current. For further details refer to section Specification of transactions with related parties, on next page.

Sales of goods, services and other

SEKm	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full year 2022
Related companies ¹⁾²⁾	7,689	2,909	14,910	7,526	24,962
Associated companies and joint ventures	384	356	769	779	1,627

Purchases of goods, services and other

SEKm	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full year 2022
Related companies ¹⁾	–8,454	–3,971	–16,436	–10,882	–26,202
Associated companies and joint ventures	–735	–449	–1,553	–898	–2,701

SEKm	Receivables		Payables	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
Related companies ¹⁾	21,797	21,043	9,961	13,414
Associated companies and joint ventures	1,423	1,377	438	466

1) Related companies are companies within the Geely sphere of companies. Joint ventures and associated companies within the Geely sphere are presented as Related companies.

2) Including contract manufacturing.

NOTE 4 – Related party transactions – continued

Specification of significant transactions with related parties

The Polestar Group

Volvo Car Group recognised revenue from the Polestar Group of SEK 6,836 (2,486) m in the second quarter and SEK 13,433 (6,511) m for the first six months. The revenue was mainly related to sale of Polestar cars from the Taizhou plant, technology licences and development of technology as well as revenue related to sale of other services.

Powertrain Engineering Sweden AB (PES)

The total purchases from Powertrain Engineering Sweden AB amounted to SEK –3,377 (–2,443) m in the second quarter and SEK –6,365 (–5,238) m for the first six months, mainly related to combustion engines and product development and has mainly been recognised as cost of sales.

Zhangjiakou Aurobay Powertrain Manufacturing Co., Ltd

The purchase of combustion engines for the second quarter amounted to SEK –2,025 (–1,256) m and SEK –4,510 (–2,636) m for the first six months and has mainly been recognised as cost of sales.

Zhejiang Liankong Technology Co., Ltd and Zhejiang Ji Run Auto Co., Ltd

The purchase of research and development services from Zhejiang Liankong Technology Co., Ltd and Zhejiang Ji Run Auto Co., Ltd amounted to SEK –172 (–1,885) m for the first six months, all purchased during the first quarter. The full amount has been capitalised as intangible assets.

Ningbo Fuhong Auto Sales Co., Ltd

Total revenue from sales of cars to Ningbo Fuhong Auto Sales Co., Ltd amounted to SEK 611 (141) m in the second quarter and SEK 1,010 (359) m for the first six months.

Ningbo Geely Automobile Research & Development Co., Ltd

The purchase of research and development services from Ningbo Geely Automobile Research & Development Co., Ltd amounted to SEK –513 (–215) m in the second quarter and SEK –969 (–488) m for the first six months which mainly has been capitalised as intangible assets.

Viridi E-Mobility Technology (Ningbo) Co., Ltd

The total purchases from Viridi E-Mobility Technology (Ningbo) Co., Ltd. amounted to SEK –770 (–284) m in the second quarter and SEK –1,191 (–526) m for the first six months, mainly related to batteries and has been recognised as cost of sales.

NOTE 5 – Earnings per share

Basic earnings per share, SEKm	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full year 2022
Net income attributable to owners of the parent company	3,332	8,935	6,943	12,788	15,577
Net income attributable to owners of ordinary shares in the parent company	3,332	8,935	6,943	12,788	15,577
Weighted average number of ordinary shares outstanding, basic	2,979,524,179	2,979,524,179	2,979,524,179	2,979,524,179	2,979,524,179
Basic earnings per share, SEK	1.12	3.00	2.33	4.29	5.23

Diluted earnings per share, SEKm	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full year 2022
Net income in basic earnings per share	3,332	8,935	6,943	12,788	15,577
Net income in diluted earnings per share	3,332	8,935	6,943	12,788	15,577
Weighted average number of ordinary shares outstanding, basic	2,979,524,179	2,979,524,179	2,979,524,179	2,979,524,179	2,979,524,179
Dilutive effect for share-based payment programmes	430,332	—	420,398	—	47,186
Weighted average number of ordinary shares outstanding, diluted	2,979,954,511	2,979,524,179	2,979,944,577	2,979,524,179	2,979,571,365
Diluted earnings per share, SEK	1.12	3.00	2.33	4.29	5.23

NOTE 6 – Significant events after the period

No significant events have occurred after the period.

The section Risks and Uncertainty factors on page 13 contains information on Volvo Cars' assessments of the global impact on the Group.

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. The largest owner, holding 82% 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.

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

Europe is defined as EU+EFTA+UK.

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.

Traditional premium segment

Traditional premium segment is the premium market brands such as Volvo Cars, Audi, BMW, Lexus, Mercedes, Tesla and so on.

Battery Electric Vehicles (BEV)

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

Non Battery Electric Vehicles (Non-BEV)

Non-BEV cars include all vehicles which are not 100% fully electrified cars (BEV). For Volvo Cars, it includes plug-in hybrid (PHEV), mild hybrid (MHEV) and internal combustion engine cars (ICE).

Electrified cars

Electrified cars include 100% fully electric cars, the same as the Battery Electric Vehicles (BEV), and Plug-in hybrids (PHEV), in both petrol and diesel with cord for charging.

Recharge cars / Recharge line-up

“Recharge” is the overarching name for all Volvo chargeable car models including plug-in hybrids (PHEV) and fully electric vehicles (BEV).

ICE

Internal combustion engine, including all powertrain types except plug-in hybrids (PHEV) and fully electric vehicles (BEV).

Agency personnel

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

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.

Online/direct

Our online/direct business model is available in 10 markets (UK, Sweden, Netherlands, Norway, Germany, USA, Canada, China, Malaysia, and India) and defines as a car ordered online with national online price and direct invoice where available. For US and Canada, the transaction is executed by our retail partners as per our agreement with retailers and in line with franchise laws.

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 the 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.

EBIT

EBIT is defined as Net income excluding financial income, financial expenses and Income taxes, that is operating income presented 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.

EBIT margin excl. share of income in JVs & associates

EBIT margin 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 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 and amortisation 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 the Group during the accounting period.

Equity ratio

The equity ratio is defined as total equity divided by total assets in the balance sheet. It measures Volvo Car Group's long-term solvency and financial leverage level.

Net cash

Net cash is defined as cash, cash equivalents and marketable securities less liabilities to credit institutions, bonds and other non-current interest-bearing liabilities (excluding non-current lease liabilities). Net cash represents Volvo Car Group's ability to meet its financial obligations.

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.

Shares of investing cash flow

Share of investing Cash Flow is defined as the share of investing cash flow allocated to certain types of development as a percentage of the total investing cash flow. Share of investing cash flow presents the allocation the Group's cash resources to certain investments during the reporting period.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures are presented in SEKm unless otherwise stated.

The reconciliations of the respective key figures against the most directly reconcilable item in the financial statements can be found at;
<https://investors.volvocars.com/en/financial-information/results-centre>

SEKm	Apr–Jun 2023	Apr–Jun 2022	Full year 2022
Revenue	102,152	71,300	330,145
Revenue per new car, BEV (SEKk) ¹⁾	430.3	466.9	448.8
Revenue per new car, non-BEV (SEKk) ¹⁾	416.9	417.8	415.2
Cost of sales	–82,733	–57,204	–269,813
Research and development expenses	–3,383	–2,918	–11,514
Operating income, EBIT	4,993	10,801	22,332
EBIT margin, excl. share of income in JVs & associates	6,427	4,612	17,889
Net income	3,540	8,978	17,003
EBITDA	9,198	14,821	38,423
Gross income per new car, BEV (SEKk) ¹⁾	11.1	70.7	36.8
Gross income per new car, non-BEV (SEKk) ¹⁾	89.2	93.4	88.9
Gross margin, %	19.0	19.8	18.3
Gross margin BEV, % ¹⁾	2.6	15.1	8.2
Gross margin non-BEV, % ¹⁾	21.4	22.3	21.4
EBIT margin, %	4.9	15.1	6.8
EBIT margin excl. share of income in JVs & associates, %	6.3	6.5	5.4
EBITDA margin, %	9.0	20.8	11.6
Share of investing cash flow BEV, %	64.6	69.9	68.5
Share of investing cash flow non-BEV, %	6.9	8.5	6.2

1) Includes amounts relating to emissions credits earned relating to BEV and Non-BEV, respectively. For the second quarter of the year the amounts were SEK 89 (—) m relating Non-BEV. For more information see Note 2 – Revenue in the annual report 2022.

VOLVO CAR GROUP

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, 19 July 2023

Eric Li (Li Shufu)

Chairperson of the Board

Jim Rowan

Board member, President and CEO

Lone Fønss Schrøder

Vice Chairperson of the Board

Daniel Li (Li Donghui)

Board member

Anna Mossberg

Board member

Diarmuid O'Connell

Board member

Winfried Vahland

Board member

Jonas Samuelson

Board member

Lila Tretikov

Board member

Ruby Lu

Board member

Adrian Avdullahu

*Board member,
employee representative*

Jörgen Olsson

*Board member,
employee representative*

Björn Olsson

*Board member,
employee representative*

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 30 June, 2023 and the six-month 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, 19 July, 2023

Deloitte AB

Fredrik Jonsson
Authorized Public Accountant

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FINANCIAL CALENDAR & CONFERENCE CALL

Webcast and conference call

At 9:30 CET on 20 July, President & CEO Jim Rowan and CFO Johan Ekdahl will host a livestream for media, investors and analysts.

Link: <https://live.volvocars.com>

For those tuning in from China, please use this link:
<https://live.volvocars.com.cn>

To call in, participants need to register and will then receive the dial-in details and individual PIN.

[Link to register](#)

Upcoming investor Events

26 October 2023:	Q3 2023 report
2 February 2024:	Q4 2023 report
25 April 2024:	Q1 2024 report
18 July 2024:	Q2 2024 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.

V O L V O

