Volvo Cars statement following Polestar FY 2023 results

Following the release of Polestar's preliminary unaudited financial and operational results for 2023 today Volvo Cars announces that the company estimates that the total net effect on Volvo Cars' financial results will be non-material. The total net effect is a result of the combination of Polestar's 2023 results and the change in our ownership percentage in Polestar.

The announcement from Polestar today included impairment charges of approximately 450 MUSD in total. Due to the timing of Polestar's FY 2023 Report the impairment charges were not known to Volvo Cars at the time when Volvo Cars 2023 full year result was reported.

Volvo Cars will include an adjustment in its second quarter results 2024 that will be based on Volvo Cars ownership of 48.3 % as of year-end 2023. It will, however, be largely offset by positive effects in the second quarter 2024 from the distribution of Polestar shares and decreased ownership to 18%, which was completed on 8 May 2024. The positive effects mainly relate to release of previously eliminated internal profits based on the change of ownership share.

The adjustments for Volvo Cars do not include any effects from Polestar's undisclosed first half year operational results.

The total net effect from the Polestar 2023 driven adjustments and the change of ownership, is estimated to be non-material for Volvo Cars. This will be accounted for as part of the result from JVs and associates in the second quarter 2024, which will be released on July 18, 2024.

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Volvo Cars in 2023

For the full year 2023, Volvo Car Group recorded a record-breaking core operating profit of SEK 25.6 billion. Revenue in 2023 amounted to an all-time high of SEK 399.3 billion, while global sales reached a record 708,716 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 by 2030 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 2023, Volvo Cars employed approximately 43,400 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).