



Volvo Cars raises EUR 500m through new green bond issuance

Volvo Cars today successfully issued its fourth green bond and raised EUR 500m from a diverse group of global investors. The bond was oversubscribed four times underscoring strong investor support for Volvo Cars' transformation journey. The initiative further supports the company's aim to have 100 percent of its outstanding debt linked to the Green Financing Framework, or in a sustainability-linked format.

The proceeds will be used to support Volvo Cars' ambitions on electrification and to achieve net-zero greenhouse gas emissions by 2040. This includes funding research and development within electric car platform technologies and powertrains. The funds will also be invested in the manufacturing process for electric 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 rating agency S&P Global's methodology for assessing green bond frameworks, and received Dark Green, the highest rating.

"We have a solid liquidity position, and this issuance shows strong support for Volvo Cars and our transformation from valued investors," says Johan Ekdahl, Chief Financial Officer, Volvo Cars. "We will continue to explore more sustainable financing and investment opportunities in the future, as part of our aim for all our outstanding debt to be linked to the Green Financing Framework or in sustainability-linked format by 2025."

The EUR 500m bond is issued under Volvo Cars' Euro Medium Term Note program. The bond matures in May 2030 and pays a fixed coupon rate of 4.75 % and will be listed on the Luxembourg Stock Exchange.

Full details on our 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:

- EUR 500m bond issued in November 2017 and maturing in January 2025
- 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 May 2024 and maturing May 2030

In addition to the above, an existing EUR 600m bond matured earlier in April 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 be a climate-neutral company 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).